

## YOUR SAVINGS

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## NEWS SUMMARY

## GENERAL

Blast in  
Zanu-PF  
building  
kills six

A bomb wrecked the Salisbury headquarters of Prime Minister Robert Mugabe's Zanu-PF party yesterday.

Up to 44 lb of explosives had been planted on the third floor. Six people were killed and about 150 injured.

The fatalities occurred in a bakery next door to the building when a wall collapsed. Earlier story, Page 2

## Fares chaos

The Government rejected calls to change the financial basis of London Transport. All six metropolitan county councils were taking legal advice on their own cheap fare schemes. Back Page

## Kidnap dragnet

Red Brigade kidnapers of Nato Brigadier-General James Dozier evaded a massive police dragnet in Northern Italy.

## Editor fined

Sunday Express Editor John Junor was fined £1,000 in the High Court for contempt of court over an article written during the mongol baby trial. Page 3

## Woman freed

Annette Maw, jailed for stabbing her sadistic, drunken father to death, was freed after serving a year of a three-year sentence.

## Casino barred

The Gaming Board won its case against renewal of the operating licence for Maxim's Casino in London. The appeal was the first of its kind. Page 3

## Dressings probe

Health Minister Gerard Vaughan ordered an investigation into contaminated medical dressings imported into Britain in the past year. Page 3

## Chilly prospects

Police declared Humberstone a disaster area after further snow falls. Forecasters expect a freezing weekend everywhere, and there may be a white Christmas. Weather, Back Page

## Threat to flights

A planned 48-hour strike by French flight engineers could disrupt pre-Christmas services.

## Cannabis haul

Customs officers at Greenock seized 14 tons of cannabis in a container supposedly full of bananas.

## Extra pintas

Local authorities have ordered an extra 33m pints of milk for schoolchildren next year as a result of a new EEC subsidy scheme.

## 2 wheels beat 4

Gloucestershire plans to replace panda car patrols by policemen on the beat and on bicycles from the new year.

## Briefly...

Merthyr Tydfil pub was named in memory of boxer Johnny Owen, who died after a knock-out. Laker Airways plans fare rises of 10-15 per cent on the North Atlantic route in the New Year. Back Page

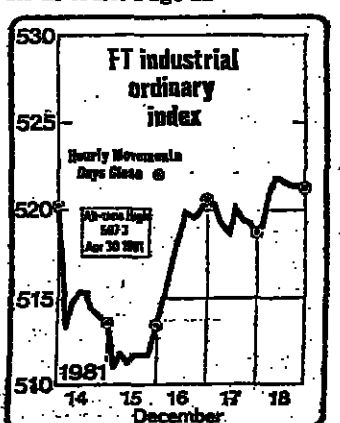
## BUSINESS

Dollar  
firmer;  
Sterling  
easier

● DOLLAR was firmer at DM 2.2870 (DM 2.2760), SwFr 1.8245 (SwFr 1.8240), Y218.60 (Y218.25). Its trade-weighted index was 107.9 (107.3). Page 20

● STERLING was off 70 points at \$1.82 (off 100 points at \$1.82). It finished firmer against the DM at DM 4.50 (DM 4.2950). It eased against the Swiss Franc to SwFr 3.43 (SwFr 3.4425). Its trade-weighted index was 90.0 (90.1). Page 20

● EQUITIES were quietly firm. The FT 30-Share Index was up 3.6 at 581.3. Page 22



● GILTS were weaker. The FT Government Securities Index lost 0.5 to close the week 0.57 off at 62.66. Page 22

● GOLD finished at \$416.75 (\$416.5) in London. In New York the December Comex close was \$412.7.

● WALL STREET was up 5.33 to 878.85 near the close. Page 19

● U.S. ECONOMY is contracting at an annual rate of 5.4 per cent, the steepest decline since spring, 1980, says U.S. Commerce Department figures for GNP in the last quarter. Back Page

● MINERS' delegates called on members to give them a mandate for strike action, if necessary, to increase the coal board's wages offer. Back Page

● ROBERT FLEMING Investment Management and Touche Remnant and Company plan to improve the attractions of their investment trusts. Back Page

● FRANCE'S October trade gap widened slightly to FFfr 6.7bn (£870m), seasonally-adjusted, bringing the accumulated deficit for the first 11 months to FFfr 51.5bn. Page 2

● SCANDINAVIAN Airlines System announced a consolidated pre-tax loss of SKr 51.3m (£4.9m) on total operating revenue of SKr 10.2bn in the year to September 30. Page 19

● UNITED SCIENTIFIC Holdings, optical and electronic equipment group, raised pre-tax profits to £5.4m (£5.27m) in the year to September 30. Page 16

● BRF (HOLDINGS), commercial vehicle and bus appliances maker, reported taxable profits down at £2.2m (£2.51m) in the 28 weeks to October 17. Page 16

● BIKWATER GROUP, private engineering concern, acquired a 12.3 per cent holding in Moss Engineering, Midlands environmental engineering group, in a dawn raid. Page 16

● RANK ORGANISATION agreed to purchase a 21 per cent equity stake in Telecom Equipment Corporation, New York, in a \$9.14m deal. Page 16

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES	FALLS
Bank of Scotland ... 503 + 15	Ward (T.W.) ... 204 + 12
Boustead ... 115 + 6	Wholesale ... 184 + 6
Brassey ... 94 + 5	Yorkshire Chemicals ... 44 + 8
Chemring ... 23 + 32	Scapire Resources ... 605 + 40
Claverdon ... 81 + 5	Joburg Cons ... 239 + 1
Cornell Dresses ... 147 + 7	Pengkalen ... 280 + 10
Croda Int ... 69 + 25	
Cullen's ... 205 + 22	Exchequer 14% 1986 ... (£40 pd) £381 -
Int Thomson ... 300 + 7	Treasury 10 1/2% 1988 £701 -
Lex Service ... 100 + 4	Greycoat Estates ... 188 -
Moss Engineering ... 110 + 21	Guinness Peat ... 88 -
Providence Financial ... 118 + 5	Hendy's ... 114 - 9
Raw Brothers ... 103 1/2 + 13	Nipols ... 155 - 5
Shiaw Inds ... 230 + 12	Tri-Basin ... 120 - 7
Utd Scientific ... 550 + 38	Geevor ... 150 - 5

Inflation rate at 12%  
as retail prices rise

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

RETAIL PRICES moved up sharply again last month to bring the annual rate of inflation to 12 per cent.

This was the fourth successive month in which the inflation rate has moved upwards, after its sustained fall to July, when the annual rate was 10.9 per cent.

The annual rate of increase of the Tax and Price Index also moved up in November to reach 15.6 per cent. This index measures the pay improvements the average taxpayer would need to compensate for the rise in prices.

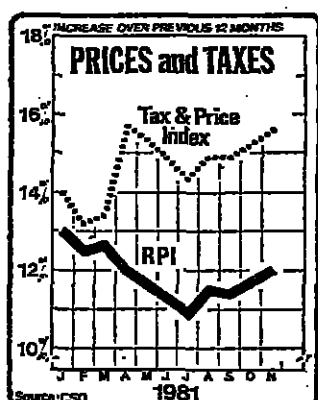
Prices are now about double what they were in 1976 and four times their level in 1970.

The November Retail Price Index stood at 306.5 (1974=100), up 1.1 per cent compared with the figure for October.

The November figures resulted mainly from increases in mortgage rates and charges for telephones and gas.

There were also higher prices for coal and most foods, particularly eggs, bacon and meat.

Next month, the index will be raised by the remaining effects of the increases in mortgage rates and coal, gas and telephone charges, as well as the higher price of television licences and the 9 per cent rail fare rise. These are



expected to put about 0.5 of a point on to the index.

These factors, and the upward trend in the prices of industrial supplies during the early autumn, are likely to put further pressure on the inflation rate into the beginning of next year.

However, government officials believe the annual rate of inflation will start to edge down again before the middle of the year to reach about 10 per cent at the end of 1982.

This view has been encouraged by the slower rate of increase of wholesale prices, which largely reflected the more buoyant performance of sterling. Input prices even fell in

November, and a further fall is expected in December.

The annual rate of increase of industry's output prices has remained steady at about 11 per cent for the last two months.

Wage and salary increases have also been steady for some months at about the same underlying rate (11 per cent). However, the rate of increase of unit labour costs (wages and salaries per unit of output) has been slowing sharply from an annual rate of 15.9 per cent at the beginning of the year to only 3.5 per cent in the late summer.

Against these moderately encouraging trends must be set the general low levels of profitability in British industry. Most observers believe that there will be strong pressure for an increase in prices if economic activity picks up next year as expected.

The Government is anxious that the prospects for next year's inflation rate should not be jeopardised by a rise in the exchange rate. This explains the shift of emphasis towards policies designed to influence exchange rate.

While any increase in the value of sterling would tend to worsen the competitiveness of exports, a fall would rapidly affect the inflation rate through higher raw materials costs.

Editorial Comment, Page 14

## U.S. suspends pact with Israel

BY DAVID BUCHAN IN WASHINGTON

THE U.S. yesterday suspended its recently-signed strategic co-operation agreement with Israel and further discussion of Israel's request for U.S. help to boost arms exports.

The moves were public gestures of displeasure with Israel's annexation of the Golan Heights.

Mr Dean Fischer, the State Department spokesman, said that the U.S. was "particularly disappointed" that Israel had given the U.S. no advance warning of Monday's annexation move, at a time when Washington was distracted elsewhere by the Polish crisis, and so soon after last month's signing of the agreement.

The "spirit of that agreement" required that each country take into account the broad policy considerations of the other, Mr Fischer complained.

This latest slap at Israel followed the U.S. action on Thursday night in joining all 14 other members of the Security Council in calling the Israeli annexation of the Golan region

illegal and demanding Israel rescind its move.

The planned meeting next month of U.S. and Israeli officials to work out details of the strategic co-operation accord will not take place.

The outline agreement called for some U.S.-Israeli joint exercises, by air forces and navies, but not on land, and some prepositioning of U.S. stocks in Israel.

For the time being the U.S. is ignoring Israel's requests that the U.S. buy more arms for Israel, speed licensing of U.S. components in Israeli arms exports to third countries, and possibly allow third countries to use U.S. Government credits to pay for Israeli arms.

Significantly, U.S. officials told reporters yesterday that the Administration was not insisting on Israel rescinding the annexation before bilateral military co-operation could be restored.

In the light of the UN resolution the U.S. would obviously welcome Israel's changing its mind on annexing the territory, seized from Syria in 1967, a

senior State Department official said.

Israel could redeem herself in the U.S. Administration's eyes, and thus get renewed U.S. co-operation, if she proved helpful in the Camp David peace process and in the autonomy talks with Egypt, and showed restraint in Lebanon, officials suggested.

The latest U.S. action may therefore have little practical immediate effect. The State Department said U.S. arms deliveries would continue to Israel.

Cutting off some arms deliveries as the Reagan Administration did for a time after Israel bombed Iraq's nuclear reactor in June, was considered this week but discarded as an option.

U.S. military and economic aid, approved by Congress only this week to the tune of \$2.2bn in the 1981-82 fiscal year, will not be interrupted, the State Department also said.

Our Tel Aviv Correspondent writes: Israel was sharply Continued on Back Page

## Burmah Oil in full bid for Croda

BY DUNCAN CAMPBELL SMITH

BURMAH OIL launched a full bid for Croda International, the chemicals-processing group, after acquiring 14.99 per cent of Croda's shares in a dawn raid on the London stock market.

Croda, the stockbrokers, completed the purchases on Burmah's behalf at 70p per share, in just 19 minutes at the start of the day's trading.

Burmah is offering 70p cash for each remaining ordinary share of Croda and 37p cash for each deferred share. The bid values the chemical group at £77.5m and came as some surprise in the City yesterday.

Sir Alistair Down, Burmah's chairman, went later in the morning to see Sir Frederick Wood, Croda's chairman, at the offices of the National Enterprise Board. Sir Frederick is chairman of the British Technology Group and one of industry's best-known figures.

Burmah said the meeting had been friendly. It expected another meeting in the near future, Sir Frederick said it

had been "a nice, polite chat" but Croda's Board would wait until after a meeting on Tuesday with its advisers, S. G. Warburg, before expressing a view.

"Anyone bidding for Croda would need a long purse and an understanding of our business," Sir Frederick said last night. "It is true that Burmah might fit on both counts but we simply have not had time to form any judgment and remain absolutely neutral at present."

Croda, a specialty chemicals business, produces a broader range of chemicals than most of its competitors in the sector. Mr S. J. Wilson, Burmah's chief executive, said Croda was the company which "most closely conforms to our ambitions for the future in the specialty chemicals area."

Burmah, whose shareholders will be required to pass a special resolution approving any acquisition of Croda, this year made clear it regarded specialty chemicals as a key

growth area of its business.

While its major strengths remain in shipping and North Sea oil interests, Burmah set up a specialty chemicals division in June. The division, based largely on two companies, Expandite and Dusseks, expects a turnover of about £70m this year.

Croda made pre-tax profits of £7.4m on revenues of £275.8m last year, compared with £15.2m in 1979. The company reported profits slightly ahead at £4.1m in the six months to June. Croda's shares closed last night at 69p, up 29p on Thursday's close. Burmah closed 6p down at 124p.

Lex, Back Page

\$ in New York		
	Dec. 17	Previous
Spot	\$1,850.8555	\$1,850.9000
1 month	0.55-0.58 dia	0.57-0.58 dia
3 months	0.55-0.58 dia	0.55-0.58 dia
12 months	1.25-1.20 dia	1.50-1.40 dia

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For latest Share Index phone 01-246 8026

Government  
urged to  
redefine  
its policiesBy Max Wilkinson,  
Economics Correspondent

A MAJOR restatement of the Government's financial strategy is needed to clear up confusion over present policies, the Treasury and Civil Service Committee says in a report out yesterday.

Mr Edward du Cann, the committee's chairman said: "It is obvious that the strategy has been modified." It was, therefore, the intention of Parliament and of the nation that the Government should make a clearer definition of its policies, he said.

The report includes an acid commentary on the progressive failure of the Government to meet its monetary targets in spite of its earlier assertion that there would be no question of departing from the money supply policy.

The committee observes that in the year up to February 1981 sterling M3, the Government's chosen indicator of the money supply, rose by about 20 per cent, about twice as much as the target. Only about 2 per cent of the growth could be attributed to the ending of the bank "corset" arrangements in that year, the committee says.

Although this year's target of 6 to 10 per cent growth was started from a new base ignoring last year's overshoot, the committee says it is likely to be exceeded for the second successive year.

The Government is now giving much less emphasis to its sterling M3 targets and to the importance of the money supply in general, says the report.

"Sterling M3 was not mentioned in the Chancellor's statement of December 2. This surprised us, given the importance originally attached to it, but we have been given no satisfactory explanation of the omission."

The committee says it is surprised to find that targets including the money supply and public sector borrowing were now being given less emphasis.

"The evidence we have taken... indicates a marked lack of certainty in relation to these targets in strong contrast to the position 18 months ago," says the report.

Polish authorities  
vow to crush  
all resistance

BY OUR FOREIGN STAFF

THE POLISH military authorities have warned that they will continue to crush all signs of resistance, in a stand which has led to bloodshed already.

A report by the Polish news agency Pao, carried by the Soviet news agency Tass to ensure wider distribution, said: "The authorities will not retreat for they have nowhere to retreat to. Provocation no longer has a future. Socialism will not be overthrown."

## Bitterness

Warsaw Radio added: "The Polish Army, now it has undertaken to maintain order, must perform its duty to the end."

The warning was delivered as Poles reacted bitterly to official confirmation that seven miners had been killed and 39 injured by strike-breaking militia in the Silesian capital of Katowice. Heavy injuries inflicted during clashes in Gdansk and Warsaw, were also confirmed.

Reports reaching the West yesterday indicated that workers and student strikes are continuing in many parts of the country. An attempted demonstration in Warsaw, which is surrounded by armed troops and patrolled by militia and "workers' volunteers," was crushed on Thursday night with many arrests.

From Silesia there were indications of further resistance in several coal mines. Workers flushed out from sit-in strikes in some mines apparently continued the strike on the surface. Witnesses report truckloads of arrested strikers being driven off by militia.

## Reassessment

While Poland remained tense, Warsaw Pact leaders gathered in Moscow yesterday, ostensibly to celebrate the 75th birthday of President Leonid Brezhnev of the Soviet Union.

The meeting, planned long in advance, is expected to develop into a reassessment of the situation in Poland and what sort of fraternal assistance is most appropriate.

General Wojciech Jaruzelski, the Polish Premier and party leader, is expected to make at least a brief appearance. But on Friday night he was the only Warsaw Pact leader whose arrival had not been announced.

Moscow is only two hours flight from Warsaw but the bloodshed on Wednesday has made a critical difference to the situation and may oblige General Jaruzelski to remain in Poland. Both the Polish people and the authorities, meanwhile, are awaiting the sermon which the Primate, Archbishop Jozef Glemp, is due to deliver tomorrow. It may be crucial in determining the attitude of millions of Poles.

Bundestag urges ban on aid to Poland, Page 2

The case for realpolitik, Page 15

Man in the News, Back Page

In the Soviet Union, the tough line taken by the Polish authorities was echoed by sharp attacks on the U.S. Administration in the Press yesterday.

Tass accused the U.S. of "issuing direct instructions" for an armed coup in Poland and said the Reagan Administration shared responsibility for events leading to the present crackdown.

## Soviet anger

Soviet anger was also directed against Western Socialist and Communist parties who have strongly criticised the declaration of martial law as a clear sign of the failure of the Polish Communist Party to retain the confidence of the working class, as well as the failure of Soviet-style Communism.

In Washington, Mr Richard Perle, a top Pentagon official, said there had been "a collective failure" by the U.S. Administration. It had concentrated its attention on the possibility of direct Soviet intervention while neglecting the possibility that the Polish army would do the same thing. "We weren't asking the right questions," Mr Perle added.

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READY-MADE  
FACTORY?

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## OVERSEAS NEWS



West German food aid arrives in Leszno, south-west Poland, via the Red Cross

## Bundestag urges ban on aid to Poland

BY JONATHAN CARR IN BONN

THE West German Bundestag (lower House of Parliament) has called on the Government to grant no further state economic aid to Poland, so long as the "repressive measures" there persist.

In a declaration approved almost unanimously, the Bundestag yesterday also urged Bonn to try to see that other European Community states took the same stand.

Government officials later stressed that legally speaking, the declaration did not have the force of a Cabinet decision. But they felt it highly likely that in practice the Government would act in accordance with it.

The declaration was drawn up after a briefing to the all-party Foreign Affairs Committee of the Bundestag by Herr Hans-Dietrich Genscher, Foreign Minister. It was passed on a show of hands, with no opponents and one abstention.

However, in a speech to the Bundestag hours earlier, Chancellor Helmut Schmidt made it clear that the Germans — in

contrast to the U.S. — want to continue to provide the Poles with food aid.

Herr Schmidt said Bonn wanted to go ahead with this help "in the European Community context" and out of "deep sympathy for the plight of the Polish people".

In Washington on Thursday, President Ronald Reagan said the U.S. was sending no more food aid at present on grounds that it could be used by the Warsaw authorities "to further oppress and control the people of Poland."

The Bundestag declaration is one of the most forthright statements to emerge here since the declaration of a state of emergency in Warsaw last weekend.

The Parliamentarians expressed solidarity with "the sorely-pressed Polish people in this fateful moment," called for the release of those detained, and demanded restoration of all those liberties won by the reform movement.

Even as the declaration was being passed, Mr Bohuslav

Choupek, Czechoslovak Foreign Minister, was ending a two-day visit to Bonn, the first trip to the West by an Eastern European Minister since the crackdown in Poland last week-end.

Bonn Government officials said that during his talks here, Mr Choupek had spoken in favour of a "purely Polish solution" without outside interference.

David Buchan adds from Washington: The White House said yesterday it would not bar food shipments to Poland by private U.S. charities. But it reaffirmed President Reagan's decision to suspend official aid while martial law remains in effect in Poland.

President Reagan yesterday further refined his conditions for resuming Government aid to Poland. "We want a return to the negotiation stage, an end to martial law, an end to the confinement of those arrested and an end to the violence," he told reporters.

He had earlier discussed the

## EEC aid to continue

THE EEC food aid programme for Poland is to go ahead despite the military takeover, the European Commission said yesterday, Larry Klingner reports from Brussels.

However, the food will have to be distributed through non-government agencies such as the Red Cross to ensure that it reaches the "population of Poland."

The EEC policy is in contrast to that of the U.S., which has suspended its Polish food-aid programme.

The Commission said that its planned "Christmas gift" of 8,000 tonnes of beef would

be despatched within the next few days.

The Commission's renewed public commitment on food aid was made in response to the European Parliament's declaration on Tuesday which, while deploring the military takeover, urged the Community to render all possible food aid to the Polish people.

Over the past 12 months the Community has approved aid worth about \$360m to Poland in EEC surplus food sold at 15 per cent below world prices and backed by export credits from various EEC member-states.

Polish crisis with Mr Lane Kirkland, president of the AFL-CIO union federation, who has just returned from Europe.

Mr Reagan suggested in a television interview yesterday that he might move to halt private aid. But later, Mr Larry

Speakes, his spokesman, said this suggestion had been unintended, and that the Administration "will not turn a deaf ear to the humanitarian needs of the Polish people."

Just before the Polish Government crackdown, the

Administration had approved an initial \$100m in U.S. Government credit guarantees for Poland to buy U.S. food — out of a total \$740m which Poland requested in 1981-82. On news of the crackdown, the Administration immediately reversed this move.

AP reports from Warsaw: Warsaw's ice- and snow-covered streets were bitter cold, but quiet yesterday — the fifth full day of martial law here, as military and police patrols roamed through the capital on foot and in vehicles.

Residents of the capital city read in the two daily papers, Trybuna Ludu and Zolnier Wolnosci, about the deaths of seven people during mine violence in Silesia on Wednesday in which some 40 policemen were injured.

"May the bloodshed in Silesia sober up the provocateurs and drive it home to madmen that confrontation will take us nowhere," the Polish news agency PAP said in a commentary published yesterday.

## European Communists move closer to divorce

BY OUR ROME CORRESPONDENT

THE deepening crisis over the military takeover in Poland is pushing Italy's Communist Party (PCI) closer than ever to a complete divorce from socialism as practised behind the Iron Curtain.

Earlier this week Sig Enrico Berlinguer, the leader of the West's largest Communist party, declared that events in Poland suggested that the process of renewal which began with the 1917 October Revolution had been exhausted. Yesterday, after an emergency meeting with Sr Santiago Carrillo, his Spanish opposite number, he

stated that a "complete identity of views" existed between the two West European Communist parties traditionally most independent and critical of Moscow.

A joint statement issued after the talks called for the absolute necessity of an end to the use of force in Poland, a return to normal civil liberties, and the resumption of a dialogue. The discussions were also attended by a top-level delegation from the Yugoslav Communist Party.

The statement coincided with the publication by Rinascita, the PCI's theoretical weekly, of articles by leading

Italian Communists even more critical of the Polish regime. It was unacceptable, declared Sig Giorgio Napolitano, leader of the PCI's parliamentary group, that a political regime was cracking down upon the working class, supposedly the leading force in its society.

The bewilderment among rank-and-file Italian Communists at events in Poland has been visible at meetings of activists up and down the country.

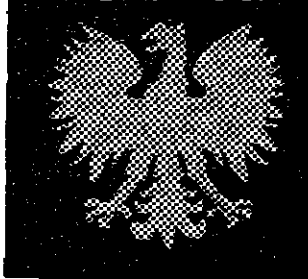
The so-called "Afghans" — the minority of pro-Moscow hardliners who two years ago refused to condemn the

Soviet intervention in Afghanistan — have been less in evidence, but the problem of forging unity on so overwhelming an issue remains.

Reuter adds from Moscow: The Soviet news agency Tass lashed out yesterday against Western left-wing parties which have denounced martial law in Poland. A fiercely-worded Tass commentary said the majority of sober-minded observers in the West accepted that the intervention of the military was vital to save Poland from catastrophe.

"Alas, what is clear to the Governments and Press of many Western countries ...

## CRISIS IN POLAND



somehow turns out to be unclear to representatives of some parties which carry socialist slogans," the agency said.

## Western nations warn Moscow

BY ROBERT GRAHAM, IN MADRID

WESTERN countries attending the European Security Review Conference yesterday strongly condemned the military takeover in Poland as a gross violation of East-West détente.

U.S. chief delegate Max Kampelman led off a series of warnings to the Soviet Union as the 35-nation conference wound up for a Christmas recess.

"I remind this body of the obligation assumed by all of us to refrain from the threat or use of force and of the pledge of non-intervention in the internal affairs of other states," he said.

Western delegates empha-

sized that a further deterioration in the Polish situation could permanently jeopardise the conference and the entire process of détente.

Chief British delegate Mr John Wilmersford said he was "disappointed" by the outcome of the session. East and West were still as far apart as ever. Sr Javier Ruperez, the chief Spanish delegate, claimed that since the Polish military crackdown, the Soviet Union had shown no willingness to negotiate.

It is felt here that the Soviet Union is reluctant to make any firm commitment to negotiate until the Polish situation has

clarified. Most of the Western nations are also anxious to see how events develop.

Last Friday a slim hope emerged that the neutral and non-aligned states might break the deadlock in the conference, with a draft document seeking a compromise over two issues — proposals for a conference on disarmament in Europe and for tightening up observance of human rights.

When the document was presented on Wednesday, however, the Soviet Union reacted differently, rejecting in particular the formula for the geographical zone to be covered by the disarmament conference.

## Arabs ban Renault but lift boycott on Rolls Royce Motors

BY DAVID WHITE IN PARIS AND KENNETH GOODING IN LONDON

RENAULT, the State-owned French motor manufacturer, was yesterday placed on a list of companies whose products will be boycotted because of their links with Israel. But Rolls Royce Motors and two companies in the Guest Keen and Nettlefolds group were taken off the Arab boycott list.

Decisions about these companies were made at a six-day meeting of liaison officers of the Arab Boycott of Israel Office held in Damascus.

Renault officials were not surprised at the Arab decision, which stems not from sales in Israel but from its 46 per cent stake in American Motors which has a licensing agreement with Israel for manufacturing Jeeps.

The French group, which is awaiting confirmation of the boycott, said it was unclear whether the measure would affect contracts already under way in Arab countries, notably a truck deal with Iraq involving local assembly and the activity of engineering subsidiaries in Iraq and Saudi Arabia.

The boycott will not affect important assembly operations in Algeria, Morocco and Tunisia.

Rolls Royce Motors said it had never suffered from the boycott. It maintained it had been included on the list by mistake.

"It has just taken a long time for the formal removal

from the list to come through," the motor group said.

The two GKN companies involved are Hardy Spicer and Salisbury in the GKN Axles (Light) Division. GKN said their removal from the list should smooth the group's path in the Middle East.

Other companies taken off the boycott list are C. Ichi, the Japanese trading house, and Soofi Enterprises of India.

But apart from Renault, 19 other companies have been added to the list. They include a group of companies from the Malaysian group of Sime Darby and Cadbury's Malaysian unit, as well as groups based in Hong Kong, India, the U.S. and Banque Bruxelles Lambert of Belgium.

Further, there are two other French concerns — Banque Louis Dreyfus and Louis Dreyfus. Their inclusion underlines the concern already expressed by French companies about the Arab boycott list since President Mitterrand came to power.

French public works contractors especially have been worried about the tougher stance of the French Government over the inclusion of anti-Israel clauses in Arab contracts.

Under a 1977 law, French companies practising discrimination on national or racial grounds face penal sanctions. Special dispensations, allowed by the Giscard Government, were cancelled last July.

## Red Brigades kidnap Nato general

BY RUPERT CORNWELL IN ROME

THE SEARCH was stepped up in north and east Italy yesterday for Brig Gen James Lee Dozier, the senior U.S. and Nato officer kidnapped on Thursday night at his home in Verona by terrorists from the Left-wing Red Brigades organisation.

The seizure of Gen Dozier, since June 1980 Deputy Chief of Staff at the Verona headquarters of the alliance's land forces (Southern Europe) is in some respects the most spectacular operation carried out by the extremist group since the kidnap and murder of former Prime Minister Sig Aldo Moro in 1978.

For the first time, the Red Brigades have made a foreigner a target — previously all their victims have been Italian. Secondly, it is the first time a military figure has been selected, although the idea has been canvassed in several

"strategic resolutions" made known recently by the terrorists. According to reconstruction of events by police, Gen Dozier was surprised by two terrorists, purporting to be plumbers, at his front door at 5.30 pm on Thursday.

After stunning him with a blow to the head, the terrorists bound and gagged his wife then loaded him into a truck. They carried the trunk downstairs and loaded it into a van driven by two waiting accomplices. Only three hours later, neighbours noticed something was amiss and called the police.

Roadblocks in and around Verona have so far yielded nothing. Sig Giovanni Spadolini, the Prime Minister, immediately called in senior Ministers for consultations and informed President Reagan in Washington. Yesterday, Mr Maxwell Rabb, the U.S. Amba-

sador in Italy, paid an emergency visit to Verona.

The kidnapping also aroused fears here that important Nato documents might have fallen into the hands of the Red Brigades. But last night there was no sign that this was so.

The operation has reinforced the conviction that strong links exist between the various West European terrorist groups. It follows a series of attacks by West Germany's Red Army faction against American bases and personnel in that country.

In domestic terms, the seizure of Gen Dozier is being interpreted as a new bid by the Red Brigades to carve out a niche for themselves in national political life.

So far, a threatened "autumn offensive" against industry has not materialised. But the terrorists now could be hoping



Gen Dozier

to draw advantage from popular unease over Italy's controversial acceptance of 112 Cruise missiles on its soil.

## 5 die as bomb blasts Mugabe's party HQ

By Our Salisbury Correspondent

THE HEADQUARTERS of Prime Minister Robert Mugabe's ruling Zanu-PF party was wrecked by a powerful explosion yesterday which killed five people and injured dozens more.

The five-storey building stands in a busy shopping centre and the lunchtime explosion badly damaged surrounding shops, offices and restaurants. Many Christmas shoppers and diners in nearby restaurants were cut by flying glass.

There was no immediate Government statement as to the cause of the blast, but crowds of blacks kept away from the scene by police cordons vented their shock and anger on white passers-by. Cars driven by whites were kicked and at least one white was beaten up.

A general committee meeting was to have been held at the party headquarters yesterday and would have been attended by senior Zanu-PF officials, but the meeting was unlikely to have been in progress during the lunch-hour.

Mr Mugabe was to begin a five-day State visit to Mozambique today, but officials expect him to at least delay the trip.

Reuter adds from Washington: President Reagan said yesterday that Mr Mugabe had made considerable progress in improving the economic and political picture in Zimbabwe. However, he said that while the threat of political instability was diminishing, there were "unwarranted" new restrictions on political opposition factions, such as a requirement for permits to hold political meetings.

Belgium's new Centre-Right Government coalition said yesterday that deployment of medium range nuclear missiles in Belgium would depend on the outcome of the current U.S. - Soviet arms talks. Reuter reports from Brussels.

Portugal travel tax

Portuguese residents must now pay Esc 1,000 (£8.50) in travel tax when leaving the country by aircraft or boat. Diana Smith reports from Lisbon.

Soviet submarine

The Soviet submarine which ran aground in Swedish waters earlier this year was most likely on an intelligence gathering mission and was carrying "a matter of kilograms" of uranium according to a Swedish military report, AP reports from Stockholm.

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## Hitachi chip 'leap forward' in technology

By Charles Smith in Tokyo

HITACHI expects to be able to start distributing samples of a 256-kbit memory "chip" to manufacturers of electronic products in the third quarter of next year, the company said yesterday.

With a capacity four times that of the currently most advanced memory chip (the 64 k bit), the new 256-kbit chip will represent a leap forward in integrated circuit technology.

Hitachi appears to have stolen a march on American and Japanese rivals involved in developing the new chip, although the company emphasises there will be a considerable time used for users to test the chip, then to test equipment designed for it.

In the case of the 64 k bit chip, Hitachi began distributing samples in early 1980 but took nearly 15 months to start mass production. The intervening time was needed for users to test the chip, then to test equipment designed for it.

Hitachi is believed to be the leading maker of 64 k bit chips (with a 40 per cent share of the world market,

## French trade deficit widens

BY DAVID WHITE IN PARIS

FRENCH trade figures showed a heavy deficit in October for the third month running. The gap, after narrowing in September, widened again slightly to FF 6.7bn (£870m) seasonally-adjusted.

This brings the accumulated deficit for the first 11 months to FF 51.5bn. The Government is counting on a final figure for the year of around FF 58bn, still below the 1980 trade gap of FF 62bn.

The Bank of France's latest monthly survey, while noting a further improvement in the industrial climate in November, said that the realignment of the French franc within the

European Monetary System in October had failed to make a marked impact on export demand in November. Instead it had led to a recovery in export margins.

The bank said that output of consumer goods had picked up as a result of the increase in household spending since September but that production of intermediary goods, influenced by a seasonal slowdown in certain industries, was slack.

Overall demand had shown a gradual upward trend since the end of the summer, it said. Official industrial production statistics showed a 0.3 per cent

rise in October, based on a revised system of seasonal adjustment.

Foreign car manufacturers have continued to carve themselves an increasing share of the French car market this year. For the first 10 months of the year, imports took 27.3 per cent of the market, against 22.4 per cent for the same period last year. This is despite Japanese car companies keeping their sales in France well within the agreed limit of 3 per cent of the market.

The principal gains have been scored by West German manufacturers especially Volkswagen, Ford and BMW.

## Iran sues for return of \$36bn

NEW YORK — The Government of Iran has filed a suit against 82 alleged associates of the family of the late Shah of Iran in an attempt to recover about \$36bn.

The suit, filed in the State Supreme Court in Manhattan, claims the money was diverted from Iran by "family appointees and associates" of the late Shah

and asks for an order directing the defendants to account for it.

According to court papers, the disclosure of "information with respect to property and assets of the Shah" is required under terms of the United States-Iran agreement that led to the freeing of the 52 Ameri-

cans held captive in Tehran for 444 days.

A similar suit seeking money from the Shah's widow, Farah, was dismissed in New York in September by a judge who said New York was an "inappropriate forum" for such action. The ruling is being appealed against.

AP

## Hopes rise for new MFA pact

BY BRIJ KHANDARIA IN GENEVA

NEGOTIATIONS for a renewed Multi-Fibre Arrangement (MFA) to regulate the world's textile and clothing trade should get a fresh lease of life this morning following a proposal to be tabled by Mr Arthur Dunkel, the chairman, who also heads the General Agreement on Tariffs and Trade (GATT).

The proposal will emphasise the common ground in widely divergent positions taken so far by the Common Market, the U.S. and Third World exporters. Although the December 18 deadline for completion of the negotiations to renew the existing MFA which expires at the year end has passed, some negotiators said there was a more-

than-even chance of successful conclusion by next Wednesday. "The Community has shown some flexibility and chances of agreement have improved," one official said.

The terms of Mr Dunkel's proposals were being hammered out last night and it is expected that today's meeting of the GATT textile committee, where the negotiations are being held, may be a short one.

If the intensive private bargaining results in consensus on his proposal, the meeting will be used formally to enable delegations to send it to their capitals over the weekend for analysis and, possibly, approval. Negotiators would then meet

again on Tuesday to state the reactions of their governments and tie up loose ends. However, negotiations would collapse if governments raise serious objections.

Japan has taken an unusually tough position against a Community proposal that large suppliers such as Hong Kong should be asked to cut back exports in exchange for contracts from Community manu-

facturers to buy EEC-made products for finishing and re-export to the Community. Japan fears such contracts will force the large suppliers to increase imports of EEC-made fabrics, cutting into its own textile exports.



Mr Arthur Dunkel



# UK NEWS

## Heseltine acted legally on house sales in Norwich

BY WILLIAM COCHRANE

THE HIGH COURT yesterday upheld the decision by Mr Michael Heseltine, the Environment Secretary, to take over the sale of council houses in Norwich.

Lord Justice Donaldson and Mr Justice Robert Goff held that Mr Heseltine acted within his legal powers when he decided on the Norwich council-house takeover.

They rejected a claim by the Labour-controlled Norwich City Council that Mr Heseltine had acted both unreasonably and unlawfully.

There was no evidence, said Lord Justice Donaldson, that Mr Heseltine had misdirected himself in law when he decided to take over sales following complaints of delays from tenants wanting to buy.

When Mr Heseltine announced his decision this month was the first time he had used his powers of intervention authorised by the Housing Act 1980.

The decision was attacked by Labour MPs. Lord Justice Donaldson did not agree. He said: "On the evidence it is

quite impossible to say that the conclusion reached by the Secretary of State was not open to him."

After the ruling Mr Roger Bamford, director of administration for the city council, said: "I am more than a little disappointed by their lordships' decision. I have not the slightest hesitation in saying that it will be tested in the Court of Appeal."

Mr Heseltine said later: "I welcome the fact that the court has today upheld my decision to use my powers to help the tenants of the City of Norwich to exercise their right to buy their homes in the way that Parliament intended."

"I understand that the City of Norwich intends to appeal against today's judgment and in the interest of tenants I have already indicated my hope that the appeal can be heard as quickly as possible."

The Environment Department's representative, already installed in Norwich City Council offices, is expected to remain there until the result of the appeal is known.

## Junor fined £1,000 for mongol trial comment

SIR JOHN JUNOR, editor of the Sunday Express, was fined £1,000 in the High Court yesterday for contempt of court over an article he wrote during the trial of Dr Leonard Arthur, who was accused of attempting to murder mongol baby John Pearson.

Express Newspapers, publishers of the Sunday Express, were fined £10,000. Sir John and the publishers had admitted contempt and given an unreserved apology to the court.

Lord Justice Watkins said Sir John's weekly column was "immensely readable" and he wielded a mighty pen. In his column in October, Sir John commented on the death of the baby.

He protested in the article that he was making no comment on the trial—then going on in Leicester—of Dr Arthur. Dr Arthur was acquitted.

"His protest was, as he soon afterwards realised, in vain,"

said the judge. "The article could not be regarded as other than a scathing reference to the trial, if not on the person on trial."

The right of Dr Arthur and every person to a fair trial was part of our heritage. Great care had to be exercised and journalists had to avoid affecting that right.

Lord Justice Watkins, sitting with Mr Justice Boreham and Mr Justice Glidewell, said they agreed with the strictures of the trial judge, Mr Justice Farquharson. He had said the article dealt in a highly tendentious and emotive way with issues the jury were going to be asked to decide. It was based in part on information "palpably untrue" in the light of the evidence.

Sir John and Express Newspapers were ordered to pay the costs of the case, brought by the Attorney-General, Sir Michael Havers QC.

## LancarBoss plans to fight Coventry Climax deal

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

LANCARBOSS, one of the three major British-owned makers of lift-trucks, was planning yesterday to complain to the Office of Fair Trading over the sale by BL of its Coventry Climax subsidiary to a consortium headed by Sir Emmanuel Kaye.

The sale, announced this week, is due to take effect from January 1 but LancarBoss's chairman, Mr Neville Bowman-Shaw, is expected to argue that there are several aspects of the proposed set-up which the OFT should look at.

Sir Emmanuel, majority shareholder of the new company Climax Holdings, is also a major shareholder in the Kaye Organisation which owns

Lansing Bagnall, largest British-owned lift-truck maker. Lansing Bagnall and Coventry Climax are directly competitive across much of their product range.

LancarBoss was interested in buying Coventry Climax, but it is believed that its offer to BL involved BL continuing to have some interest in Coventry Climax.

Mr Bowman-Shaw claimed recently that LancarBoss and two other unnamed European manufacturers are the only companies which are "profitable, specialists and in a position to actively participate in the rationalisation of the lift-truck industry from a position of strength."

## Economic Diary

TODAY: Japanese Government to announce wage rises of 7 per cent for salaried workers as part of official economic forecast for 1982. U.S. issues third quarter GNP, second revision.

TOMORROW: Department for National Savings issues monthly progress report for November.

MONDAY: Provisional gross domestic product figure for third quarter. New construction orders for October. CBI monthly trends inquiry for December.

Mr James Prior, Northern Ireland Secretary, meets Irish MPs to discuss the economy of Northern Ireland at Stormont Castle.

TUESDAY: Provisional unemployment figures for December

and provisional unfilled vacancies for December. House of Commons discusses remaining stages of the currency bill and debates Poland and the Middle East.

WEDNESDAY: New vehicle registrations for November. Deadline for negotiations on the renewal of the Multi-Fibre Arrangement. TUC General Council and general secretaries meet to discuss trade union bank. OECD World Outlook published in Paris. House of Commons adjourns for Christmas recess.

THURSDAY: Branches of London clearing banks close at noon.

## Vive la price difference! is the British invaders' battle cry

BY ARTHUR SANDLES

AT 9 am the northern French seaside town of Boulogne is drowsily quiet. Even the Wednesday market has trouble springing to life in sub-zero temperatures. But by mid day... the British have arrived. Pouring off ships which otherwise at this time of the year would be like so many giant Marie Celestes, bereft of human life. They advance across the bridge into central Boulogne with a determination normally reserved for cup finals and the first day of the sales at Harrods.

The call of the super-marchés and the hyper-marchés, the parafarmers and the fromageries, but above all the caves des vins and the boulangeries, is too strong to ignore. Northern France is being subjected to a British invasion.

Red wine £1.50 for three bottles (glass not plastic), fresh ground coffee 60p for 250 grams; Le Crouzet cooking

ware costing at least one third less than in England. A nation of shopkeepers? No, a nation of shoppers now. And there are only five channel hopping days to Christmas.

For the ferry companies, just emerging bloodied from a two year price war, the whole thing has been if not a salvation, certainly a welcome relief. At weekends the boats are bursting full, and even on weekdays there is traffic where none might otherwise be.

November foot traffic from Dover to the continental ports was up by 20 per cent on last year, reaching £78,000. December may see an even greater rise.

French traders have reacted with a Gallic eye for profit. "We take English money," scream the chalk notices. "We sell take away French wine," says an entrepreneurial notice outside a bar. French immigration and customs however have been

Today's Cross-Channel forecast: High winds in the morning reducing later. Gale warnings for the early part of the day. Snow and freezing temperatures.

either taken by surprise or regard the whole thing as nonsensical. There is no sign of either. We wave our passports at unmanned posts. Who would be foolish enough to smuggle anything from England to France these days? Charbons aux Newcastle, Monsieur.

The problem is that everything the British want to buy seems so heavy. Even the duty free limit of seven litres of wine is no light load. The British shoppers have an answer to that. Those who are not wearing rucksacks pull shopping carts—if you forget yours. Nouvelles Galeries in the town centre has a good selection from FF 120 to FF 300.

As they arrive the visitors

look like an army of lost golfers looking for the first tee. As they leave—carts laden, plastic shopping bags hanging from their arms and the inevitable baguette loaves poking from everywhere—they have more of the air of refugees.

No one seems quite to know how much this boom has meant to the economy of France's coastal north west, or to the ferries. Seabird, Townsend Thoresen and P & O have been major beneficiaries. Some say that duty free sales are at least 25 per cent up on forecast. All must now be kicking themselves for charging as little as £5.50 for a return trip.

The cavernous vehicle decks of the Horsa, the

Parthenon, and the various Enterprises echo emptily while the tills at the bars and duty free shops rattle away merrily.

At the Champion supermarket in Boulogne the signs over the wine racks are in English, the background music is English language carols and the cash tills take pound notes at a rate of 10.50 francs to the pound.

Within an hour or so of the first ferries arriving—the one hour time difference gives Calais and Boulogne a brief morning breathing space—those carts and bags are being filled. Why do they do it? "It's so much cheaper," says one visitor. "And it's fun," shouts another, with perhaps a touch more realism.

We bounce our way back to the White Cliffs. Not a boozy group these afternoon returnees. They are after all the sort you get in Tesco or Sainsbury's any Saturday morning. The drinkers come

on the later runs. The stewards distribute sick bags; the Channel has been a bit rough this week and not every English stomach can take a day of mouscadet and markets. They go unused.

In the French channel ports the better heeled makes plans for staying the night, dining on fish at Chez Ziane or La Charlotte. In Dover customs and immigration personnel sharpen eyes and pencils.

Laden with bottles we clunked our way to the uniformed guardians of VAT and duty. All clear, we were cheerfully waved through.

This was an early boat. The later ones are more, shall we say, relaxed. "You should see them," grinned the customs men. "They stagger through here." He could afford to be cheerful about it. Before the real battle-hardened troops of the British task force returned, he would be off duty.

## Maxim's licence lost in gaming appeal

By Duncan Campbell-Smith

THE Gaming Board won its appeal yesterday against renewal of an operating licence for Maxim's Casino in the West End.

The licence was renewed in June despite the Board's objections. The appeal, the first of its kind, succeeded after a week's hearing in Middlesex Crown Court before Judge Alan Trappell sitting with four JPs.

Maxim's was acquired in October 1980 by Mr Abdel Wahhab Galadari, a United Arab Emirates businessman. The Board opposed a new licence because of Mr Galadari's status as a non-resident of the UK, his lack of experience in managing a casino and his record as a "compulsive and very heavy gambler."

His interests include a controlling share in Union Bank of the Middle East and businesses employing 3,000 in Dubai. He said at the hearings that he had not gambled since acquiring Maxim's. Since 1970 he estimated his gambling losses at £7m-£8m in London alone.

The casino remains open while its licence is current. The case was adjourned till Wednesday and awaits a full judgement.

## New opposition to clause in Lloyd's Bill

BY JOHN MOORE

A SENIOR member of the Lloyd's of London ruling committee who has tendered his resignation is expected to oppose a key clause in the Lloyd's Bill of Parliament when he gives evidence next week to a House of Commons committee.

Alexander Howden Group, the financial holding company with extensive Lloyd's broking and underwriting interests, has called Mr Robert Kiln to give evidence to help them fight a clause calling for brokers to terminate their shareholding links with companies which run underwriting syndicates.

Mr Kiln recently tendered his

resignation from the committee of Lloyd's because of policy differences and what was claimed to be a "lack of openness" in the way the chairman and two deputy chairmen of Lloyd's were elected.

His surprise intervention is bound to cause another internal row in the Lloyd's market as he is the first member of the present committee to break ranks and oppose openly any aspect of the Lloyd's Bill. His resignation from the Lloyd's committee does not take effect until the end of the year.

Mr Kiln runs an influential independent underwriting

agency company at Lloyd's. So far a senior underwriter of his group, Mr Colin Murray, has given evidence for Howden before the Parliamentary committee.

A chairman of a major U.S. broker, Mr Robert Corroon, who holds a 20 per cent shareholding in Minet Holdings, a U.K. broker, is also expected to give evidence supporting the Howden point of view.

Alexander Howden said yesterday that if it was not successful in gaining the removal of the clause from the Bill which requires brokers to terminate

their shareholding links with underwriting syndicates it would lodge another Parliamentary petition in the House of Lords.

The House of Commons committee, chaired by Mr Michael Meacher MP, has insisted that Lloyd's includes the clause in the Bill—which is designed to improve the market's self-regulation—because it had identified conflicts of interest in the shareholding relationships of brokers, the buyers of insurance, and underwriters, the sellers of insurance.

The Commons committee is expected to rule on the issue next week.

## Douglas-Mann wins local SDP backing

BY PETER RIDDELL, POLITICAL EDITOR

MR BRUCE DOUGLAS-MANN, MP for Merton, Mitcham and Morden, who left the Labour Party last week, has received the backing of the Merton area leadership of the Social Democratic Party.

This opens the way for official support by the party if he goes ahead with his intention to force a by-election in the constituency.

Mr Douglas-Mann caused a stir a week ago when he announced, without consultation, that he was leaving the Labour Party and intended to fight a by-election either as an SDP or as an independent candidate.

The SDP's national steering committee decided on Monday to admit him to the party but reserved its judgment on whether he should be allowed to contest a by-election, depending on local attitudes.

His meeting with the local SDP area committee apparently

went well and in a statement the committee said it recognised him "as a suitable person to take the SDP whip in the House of Commons and, pending an area general meeting in January, is prepared to co-operate with him in the best interests of the SDP."

Many SDP MPs at Westminster are extremely critical of Mr Douglas-Mann's decision to force a by-election and are reluctant to welcome him.

The SDP members have been attacked by former Labour colleagues for remaining in the Commons and not seeking re-election. They feel that the criticisms will increase if one member takes this step.

The next move for Mr Douglas-Mann will be discussions with all the SDP members in Merton next month. They will decide whether or not to back him as a by-election candidate.

## Charterer wins appeal in dispute over hire rate

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A SHIPOWNER twice purported to withdraw its vessel from a charter, to take advantage of a "tremendous" rise in the market rates for hire, Lord Denning said in the Court of Appeal yesterday.

Tropwood A. G. of Zug claimed on the first occasion that the charterer, Jade Enterprises, had been an hour late in paying additional war risk insurance premiums. The Commercial Court rejected that claim.

Two months later Tropwood again gave notice of withdrawal on the ground that Jade had deducted £12,690 as the estimated cost of bunkers from the last hire payment, instead of waiting until the vessel was re-delivered to Tropwood at the end of the charter. Tropwood refused the estimate but did not actually withdraw the vessel.

## Insurance companies invest less overseas

BY ERIC SHORT

UK INSURANCE companies returned in force to the UK equity market in the third quarter and invested much less overseas. The latest issue of British Business published by the Department of Trade and Industry showed long-term funds invested only £138m net overseas compared with £227m in the second quarter.

Their net investment in UK equities rose from £287m to £378m in the third quarter.

The UK insurance companies reduced the gilt investment of their long-term funds in the third quarter and increased their investment in long-dated gilts from £401m to £533m, but had a net disinvestment of £108m in medium gilts against an investment of £201m in the second quarter.

Liquidity of long-term funds rose by £265m to £1.37m at the end of September. More than three-quarters of this was in

cash or with UK banks. A further £174m was held in other UK financial institutions and £307m with UK local authorities.

A further £287m was invested in property in the quarter, £12m in UK house purchase loans and £26m in other UK loans and mortgages.

Total investment by private pension funds in the third quarter was slightly higher at £873m. Investment in UK equities rose by nearly 100 per cent from £157m to £301m. A further £233m was invested in overseas securities. Little changed from the previous quarter.

There was a further net investment of £105m in land and property, against £87m in the second quarter. The funds reduced their short- and medium-term gilt holding by £15m and £50m respectively, and increased their long-term gilts by £225m.

## Probe into contaminated medical dressings

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

DR GERARD VAUGHAN, Health Minister, has ordered his department to investigate the importation and labelling of contaminated medical dressings coming into Britain in the past year.

The Government will then decide whether to introduce tighter controls for imports of medical supplies.

Dr Vaughan was criticised by both sides of the Commons yesterday when he made a statement. MPs favoured stricter controls over such imports.

Mrs Gwyneth Dunwoody, Labour's health spokeswoman, accused the Minister of appearing lethargic in dealing with the situation.

Dr Vaughan told her "That

is quite untrue. We have dealt very urgently with this."

One main importer of dressings from India said yesterday that he would replace free of charge any dressings sold by his company and which were returned by the public to their suppliers.

Mr Lawrence Sammeroff,

Director of Frank Sammeroff Surgical Dressings, Glasgow, said: "It may cost a lot of money, but we want to deal as responsibly as we can with the situation."

Allied First Aid Supplies, of Hatfield, Herts, which buys dressings from Sammeroff, said Indian dressings cost only about £1 whereas British-made counterparts cost £1.80.

## Fishing loss backs claim for more aid

By Richard Mooney

THE BRITISH fishing industry has supported its claim for more Government aid by providing figures showing a further decline in its profitability.

Details of a financial analysis by an independent firm of chartered accountants have been sent by the British Fishing Federation to Mr Peter Walker, the Fisheries Minister.

They show that in the six months to September 30 the deep sea fleet registered an operating loss of £2.2m which was turned into a £1.25m surplus only by crediting the £3.5m of Government aid received in that period. Even so, there was nothing left to cover depreciation charges exceeding £3m and interest charges on capital employed, the Federation said.

"After finance costs of nearly £2.1m there was a negative cash flow of £800,000. And, on a shrinking fleet, the projected negative cash flow is expected to rise to the 'unacceptable level' of £4.6m in the six months to March 31 next. Even that could turn out to be optimistic if the EEC, as seems likely, holds down official withdrawal prices."

Shackel fishing off South-West England will restart on January 2, the Ministry of Agriculture and Fisheries announced.

## Sir Freddie's ambitious wings may be clipped by the banks

Michael Donne assesses the details emerging from a 'survival package' for Laker Airways

DETAILS NOW emerging of the "survival package" prepared by a consortium of banks and aircraft manufacturers for Laker Airways, have been greeted with deep sighs of relief in the air transport and travel industries.

While the details of the package remain to be revealed, it is widely accepted that there would have been no benefit to anyone—Laker Airways itself, the ebullient Sir Freddie Laker, the air transport industry, the travel trade, the aircraft manufacturers and the travelling public—if the pioneer of cheap air fares had been allowed to go under in the current severe air transport recession.

There would have been big losses to the banks, amounting to several hundred million dollars on aircraft purchases, while

the overall campaign to achieve cheaper air travel might well have also foundered.

Sir Freddie has built his business, the Laker travel group, from an investment of £10,000 in 1966, following an abrupt departure from the independent airline group British United Airways, of which he was managing director.

As plain Mr Laker, he had begun his business career with Short Brothers at Rochester in 1938. During the Second World War, he served in the Air Transport Auxiliary, and he founded his own company, Aviation Traders (Engineering) in 1946. From 1948 to 1949, he was actively involved in the Berlin Air Lift. His experiences led to the formation of Air Charter in 1951, and the Channel Air

Bridge, flying cars to the continent, in 1953. These companies became part of Airwork in 1958 and subsequently the Air Holdings Group in 1959, and eventually British United Airways (BUA), as the main UK independent airline operator.

He found working for BUA distasteful, however, and left to set up his own airline, Laker Airways (more affectionately known as "Freddieair") in 1966. From that moment on, Laker grew to become a household name in civil aviation.

Sir Freddie built his business on the simple principle of offering the cheapest possible fares, initially on holiday charter

flights and then, on scheduled air services also.

He became enmeshed in many battles with the air transport establishment in pursuit of his ideal of air travel for everyone, in particular his long and angry battle, lasting several years, with the UK and U.S. Governments to set up his cheap-fare Skytrain services across the North Atlantic.

After an almost classic legal battle against the UK Government, he won in the High Court and cheap Skytrain flights began in September, 1977.

Since then, North Atlantic air travel has never been the same. The big three scheduled opera-

tors on the route, British Airways, Pan American and Trans World, have consistently found themselves fighting off Laker challenges and always, Sir Freddie seemed to come off best.

Not content with the North Atlantic, Sir Freddie's ideas for both sides of the Commons yesterday when he made a statement. MPs favoured stricter controls over such imports.

Mrs Gwyneth Dunwoody, Labour's health spokeswoman, accused the Minister of appearing lethargic in dealing with the situation.

Dr Vaughan told her "That

yet come to fruition, and there are likely to be many more battles before they can do so.

In the meantime, financial problems have been mounting. Laker Airways has not been immune from the problems of soaring fuel and other costs confronting all airlines in the past two years or so, and moreover Sir Freddie has had to meet a determined, if not ruthless, campaign against him from other scheduled airlines.

The cash flow problems became acute this past summer, along with an intensification of the depression affecting world airline travel. The need for a financial reorganisation, beginning with the need for a re-scheduling of debt repayments on aircraft purchases, became more urgent.

This financial crisis seems

now to have been resolved, and Laker goes on flying.

But many questions remain. It seems likely that Sir Freddie's wings may be clipped a little by the banks in the future. The grandiose schemes for route expansion may have to be sharply curtailed, at least for the time being, with the emphasis on consolidating the existing holiday flying and Atlantic scheduled air routes until economic conditions improve.

Whether Sir Freddie will be left entirely alone to run his business as he has done in the past remains to be seen. The banks and manufacturers who have prepared the latest package may well insist on a less ebullient approach to aviation problems for the immediate future.

## State aid cash paid to BL

By Kenneth Gooding

BL has been issued with another £70m of state cash, part of the £620m it was allocated by the Government for the 1981-82 financial year.

This brings the sum so far drawn by the group to £520m, leaving another £100m still available to be called for in the next three months.



## LABOUR NEWS

## THE WEEK IN THE MARKETS

## Tory trade unionists resist Tebbit's proposed legislation

BY JOHN LLOYD, LABOUR CORRESPONDENT

MR NORMAN TEBBIT, the Employment Secretary, yesterday met opposition to the major element in his proposed legislation dealing with trade unionists in his own party. He promised a group from the Conservative Trade Unionists, organisation, including several union officials, he would consider again the scale of fines to which unions would be liable if they broke the law. He would also look closely at ideas for worker involvement.

The organisation has surveyed its membership extensively on the proposed laws. It is opposed to the laws' central plank—the ending of immunity for union funds and the granting of a right to employers to sue unions for up to £250,000, on a sliding scale of fines which depend on a union's size.

They specifically criticised what they saw as the effects of the fines on smaller unions. They said these would suffer disproportionately and might be financially ruined if fined with a minimum fine for their size. The organisation said a union

of about 10,000 membership, if fined £250,000, could lose about one-fifth of its annual income. For a large union like the Transport and General Workers, with its 1.5m members, the maximum £250,000 fine would represent less than 1 per cent of annual income.

Mr Tebbit told the group he had introduced the provision because he felt it unfair that loss of immunities should apply to individuals only and not also to corporate bodies like unions. He would, however, look again at the scale of fines.

He agreed in principle with the organisation call that employment laws should be positive and should stress co-operation and participation and financial involvement in the affairs of a company.

The Tory trade unionists also believe the outlawing of labour-only sub-contract clauses in agreements might lead to a revival of the lump system in the building industry.

The Prime Minister has agreed to meet the CITU to discuss unemployment and worker participation. That will probably be early in the New Year.

## Nurses promised pay formula by 1983

BY IVO DAWNAY, LABOUR STAFF

NURSES leaders yesterday won a firm commitment from the Prime Minister that a formula for determining their annual pay increases will be introduced by the 1983 wage round.

But negotiators for the 500,000 nurses said they were "extremely disappointed" that the Government was not prepared to devise a scheme in time for the 1982 pay settlement, due in April.

The staff side of the Nurses and Midwives National Whitley Council had demanded talks with Mrs Thatcher after Dr Gerard Vaughan, the Health Minister, said in October that a permanent mechanism for removing nurses wages from the annual public sector pay round and offering protection against inflation, could not be devised by April.

Mr David Williams, assistant general secretary of the Confederation of Health Service Employees and chief negotiator for the nurses, said he was satisfied that the Prime Minister had

accepted the nurses' case for a pay formula in the long-term, but there were likely to be protests over the Government's failure to take immediate action.

"Nurses will be demonstrating through demonstrations and a lobby of MPs."

Mr Williams said the nurses' pay claim for 1982 had not been discussed at the meeting, which was attended by Dr Vaughan and Mr Norman Tebbit, the Employment Secretary. He made it clear that the nurses would not be satisfied with a 4 per cent settlement in line with the Government's pay guidelines.

Mr Bob Jones, the National Union of Public Employees' national officer for the Health Service, said after the talks NUPE would call emergency meetings of nurses and midwives in hospitals throughout the country.

There had to be a united campaign against the Government's 4 per cent public sector pay guideline by all Health Service

## Banking figures add to unease

## LONDON

ONLOOKER

It has been an uneasy week in the financial markets, with the news headlines dominated by the events in Poland. Short term interest rates have been edging a little higher in both New York and London and the gilt-edged market has been looking progressively less sure of itself.

Thursday brought the banking figures and the quarterly bulletin from the Bank of England, both of which added to the mood of uncertainty. Bank lending in November rose by a record amount and the Bulletin warned that high demand for loans by the corporate sector was likely to continue for some months to come.

The equity market held reasonably steady through most of the week and for a brief moment the more optimistic sounds even began to talk about a Christmas rally. But that seems improbable, unless the money market settled down. Three of the worst performing shares of the week were Distillers, ICL and Habitat—of which more later.

A point to note concerns something that did not happen—the Polish crisis brought no great rush for gold bullion. The dollar seemed to be attracting some funk money, but you would not have guessed it from the gold market that anything had happened at all.

## ICL calls for £32m

The £32m rights issue announced this week by ICL, the troubled computer manufacturer, poses a dilemma for

shareholders. Taking up their rights will inevitably involve above average risks, at a time when the whole business is being reshaped by its aggressive new management. On the other hand, shareholders who do not take up their rights will effectively be reducing their stake in the company at what could turn out to be a low point in its fortunes.

Even after the issue, ICL will still be undercapitalised, with ordinary shareholders' funds of about £55m and net borrowing of around £155m. In addition, the company still has to pay out roughly £30m of redundancy costs, and will have to refinance £50m of redeemable preference shares early in 1983.

Although it could soon be in the black, it is unlikely to be able to make enough profits in the next couple of years to avoid the need for a further financial reconstruction.

Yet ICL's new management has undoubtedly put up an impressive performance so far. The business appears to be in a much more stable shape than it was a few months ago, and to have a clearer sense of where it is going. A string of collaborative ventures should be helping to boost revenues in a few years' time.

Individual shareholders will have to make up their own

mind about the level of risk which they are prepared to accept in their portfolios. Those in doubt might consider selling part of their rights in order to raise new money to take up the rest of their new shares.

## Town and City

After seven years nursing Town and City Properties, chairman Jeffrey Sterling is about to put the patient back on its own two feet. The ink was barely dry on last week's half time statement—showing that losses had been halved to under £4m and that the property revaluation would throw up a £100m surplus—when a £56m bid for Berkeley Hambro Property was launched. The final stage of the group's return to health, which could have dragged on for a couple more years, is about to be completed almost overnight.

The offer, agreed by Berkeley's Board, is a package of ordinary and convertible preference shares with a cash alternative. Hambro, holding 42.7 per cent of Berkeley, and Prudential, holding a further 14.1 per cent, have accepted and agreed to take the Town and City paper rather than coin of the realm. The cash alternative on offer to other holders has been underwritten by a share in another major institution, Legal and General, on to the share register.

The acquisition means that Town and City will be picking up a property portfolio worth

£51m along with cash and deposits of about £25m. The bidder's own property portfolio is worth close to £350m (after the revaluation) while borrowings of £166m are supported by a similar figure for shareholders' funds and the revaluation surplus.

Shareholders will suffer a small asset dilution through the deal, but this is more than outweighed by the positive aspects: there will be an immediate return to profitability and a "meaningful" dividends next year. The balance sheet will look in better shape and the City's seal of approval is evident in all those extra Town and City shares the institutions are taking on board.

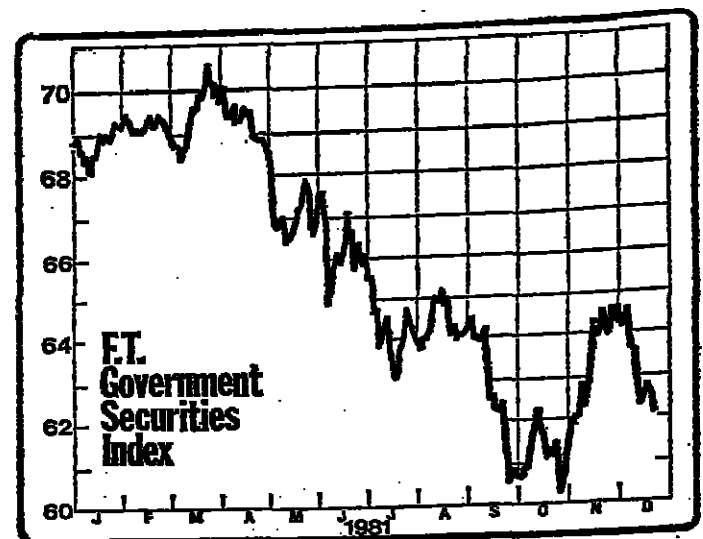
## Distillers hangover

Distillers is today capitalised at £55m less than it was last weekend. The shares dropped 18p this week to 164p following the company's admission that profits this year would be a fall rather than the "modest" rise forecast last August. For the second year running the Board's earlier optimism has proved wrong.

A pretty dismal set of half-time figures had already been anticipated. Distributors stocked up in the second half of last year to beat price rises early in 1981. That stock had to work through the system and the opening half of this year had little chance of matching the comparable period. The result in the six months to September was that profits fell £11.8m to £66m, even though the fall in the pound may have added £5m or so to profits from U.S. sales.

Distillers had hoped that the lines would be clearing by now and the distributors ordering again. But it just isn't so. Whisky sales in the UK were an eighth lower after eight months, having been little changed after six. Distillers has around a quarter of the domestic market. Moreover, U.S. demand is suffering under the recession and in Japan sales are still plagued by heavy de-stocking.

Still the company can hope for a little extra towards the end of the year. Distributors should start piling in again during the final quarter as they try to beat price rises which are likely to come both in the



UK and for exports. So when the books are finally closed at the end of March the shortfall against last year's £172m (stripping out capital profits) may not be too severe. And there is a very secure 94 per cent yield. Yet the shares are unlikely to enjoy much spirit for a while judging by the disillusioned faces in the City.

## Habitat's designs

Two children of the 60's were betrothed this week in what could hardly be called a marriage made in heaven. Habitat, publicly floated only three months ago, brought a strong share price to the altar where its huge trade, Mothercare, stood with its dowry of U.S. losses.

The marriage brokers had been working for some time. Mothercare's founder, Mr Selim Zilkha, had been eager to sell for nearly a year. Following an ambitious expansion in the U.S., profits had started to slump along with the share price. An Iraqi-born U.S. national, Mr Zilkha lost his enthusiasm for running his brain-child. "I felt," he said last week, "that somebody else would do it better."

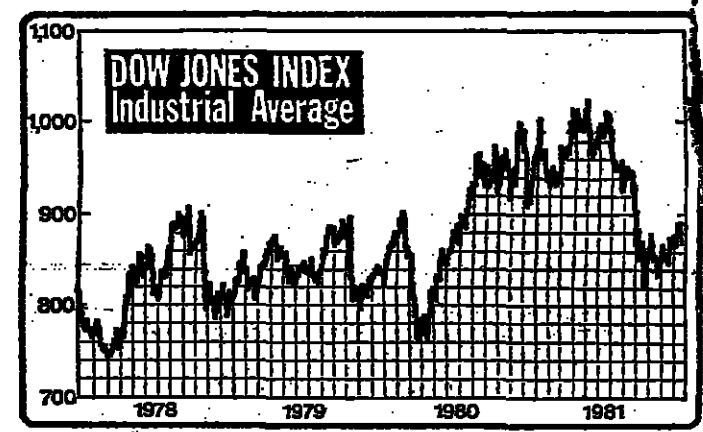
After several refusals, Mr Zilkha found a suitor in Terence Conran. Mr Conran is the man behind Habitat, which has been

providing home furnishings for the well educated but cost-conscious middle-class since 1964. Capitalised at £47.6m when it came to the market in October, Habitat has only 52 stores and £67m in sales compared to Mothercare's 417 stores and £169m sales.

Under the terms of the deal, Mr Conran will trade his controlling stake in Habitat for 16 per cent of the shares of the enlarged group, called Habitat Mothercare. In a bid which values Mothercare at £117.6m, Habitat is offering one of its own shares for each Mothercare share plus 60p nominal of a 94 per cent convertible unsecured loan stock 1998-2001.

Habitat, which has made a success of its European ventures, brings its merchandising flair to this unequal marriage. Mothercare has suffered in the U.S. for lack of market identification: American mums weren't sure if the stores were aimed at mother or child, with price policies never firmly in the up or down market category. Mr Conran is determined to change this and bring "warmth" to the stores.

There is some chance of a Monopolies Commission reference on the match. In the meantime, Mothercare shareholders have to decide whether one man can possibly have enough energy to handle such a demanding role.



## Scottish tax strike leader denies motorway chase

BY PHILIP BASSETT, LABOUR STAFF

CIVIL SERVICE-bound revenue computer centre considered picketing the homes of Inland Revenue officials who were talking blacked tax cheques through the strikers' picket lines, an Edinburgh court was told yesterday.

The Edinburgh Sheriff's Court was examining charges brought under the 1975 Conspiracy and Protection of Property Act against Mr Ted Elsey, an assistant secretary of the Inland Revenue Staff Federation, following this summer's Civil Service strike.

He denied following two tax officials in a disorderly manner, and in particular denying boxing them in when driving with two other cars along a motorway, and in particular denying transporting a box with cheques worth £250m.

Mr Elsey was the Council of Civil Service Unions' full-time strike co-ordinator at the Inland Revenue's computer centre at Cumbernauld, near Glasgow.

He is charged with persistently following two senior tax officials from Cumbernauld who had been taking blacked work through the union's picket lines.

He said the unions were in a difficult position. If senior officials were taking work home, it raised the question of whether they were creating a work place where which might legally be picketed.

He had not told Mr Andrew McMaster, collector-in-charge at Cumbernauld, that Mr McMaster took the blacked tax cheques home he would picket him there, but he had told him that if he took work away to deal with it on the way home he would have to follow him.

The outcome of the case is seen by the TUC and the CCUS as of wide significance for the use of the law in relation to trade unions.

Sheriff Charles Nicholson will deliver his judgment on the case on Monday.

## Unions reject Talbot bonus payment offer

TALBOT UNION leaders last night turned down a pay offer which the company claims would make its 5,000 manual employees "the highest paid car workers in the Midlands motor industry".

The company refused to give ground on its original offer of a 2½ per cent pay rise from January 1, but offered to double the amount of bonus earnings it would consolidate into basic pay, from about £2.50 a week to £5.00. Bonus earnings are currently between £10.00 and £15 a week.

The unions say the bonus offer does not represent new money and are insisting on an improvement when the two sides meet again on January 8.

Talbot said under its offer basic pay for a production worker would rise from £96.54 a week to £104.10, and assuming a bonus of 12 per cent earnings would rise to £111.39—£3.39 more than the average for the rest of the industry.

## Talks at Acas on Ford pay dispute

By Our Labour Correspondent

FORD management and unions will hold talks at the Advisory Conciliation and Arbitration Service on Monday to seek a compromise in the pay dispute. The unions have called an all-out strike from January 5 in protest against a 7.4 per cent offer linked to radical changes in working practices.

Neither side would comment on possible areas of compromise. They have been wide apart on measures needed to increase productivity.

It is understood that the company might be prepared to make some movement on implementation of a 39-hour week. Leyland Vehicles, the lorry and bus side of B.L., faces a fight if it goes ahead with redundancy plans. Workers at the Leyland, Lancs, engine, assembly and foundry works agreed overwhelmingly yesterday to oppose a planned 1,955 jobs cut there. They may well try to prevent machinery or plant being taken to other of the company factories.

## Poland casts a shadow

GROWING anxieties over developments in Poland and more bad news on the domestic economy brought to a halt the New York market's stuttering efforts to rally in past weeks.

The large decline in November industrial production and the horrible 27.5 per cent fall in Detroit car sales during the first ten days of this month were the latest in the recent long string of discouraging economic data. Although some analysts now feel the economy has reached rock bottom and can only improve from now on, others fear worse is to come.

To make matters more difficult for the market, interest rates appeared to have reached the end of their latest decline. Some large banks made fractional upward adjustments to

their prime this week, while the recent spate of bad money supply figures is making Wall Street edgy again.

The view is that the Fed is no longer expected to ease its credit policies. Indeed, the recent increases in the weekly monetary aggregates—far higher than anyone had anticipated—are likely to prompt the Central Bank to hold firm. In any event, interest rates, while having declined, are still high historically speaking. The fear is that they may now start moving up again.

But the Polish crisis and the U.S. economy were not the only factors to weigh on the market this week. As always at this time of year, the market is being distorted by the traditional December portfolio adjustments and the usual flurry

## NEW YORK

PAUL BETTS

of selling for tax purposes.

This year, selling to take losses for tax purposes has been far more hectic than usual. This is because tax rates will be lower next year when the new Reagan fiscal policies come into effect. Thus investors are seeking to cash in on the higher 1981 write-off rates while holding back to cash in their capital gains until next year when they will be taxed less.

Interestingly, although corporate earnings have continued to be disappointing, dividend payments have surged to new records. A report by manufac-

turers Hanover shows that dividend payments this year will be about \$9bn higher than last year about \$15bn more than in 1979—a year when after tax profits were about \$20bn greater than now.

"As a result," says Manufacturers Hanover, "the dividend payout ratio, which compares dividends and after tax corporate profits, should exceed 41 per cent in 1981, its highest level since 1971."

The report adds that corporate earnings will further fall as the economy continues to remain weak. "And since corporations tend to be extremely reluctant to slash dividends, this development could push the dividend payout ratio to even loftier heights—placing a heavier strain on corporate balance sheets. The report concludes that this would lead to greater credit demands in coming months.

But if dividends have reached

all time highs, there have been very few winners in the market this year. Indeed, the only clear winners have been speculative takeover stocks which have bobbed up and down all year.

This week was no exception. Williams Companies, a large oil company, is the latest of the oil stocks to join the potential takeover candidate club. In a week when most oil stocks declined largely as a result of the general softness of the oil market, Williams rose by more than four points in two consecutive sessions on Wednesday and Thursday. The company said it could not account for the strength of its stock, but the explanation was simply takeover rumours.

Elsewhere, the banks showed some weakness because of the huge Polish debt problem. Apart from the oil group, chemicals, drug, technology and retail

stocks, which are suffering disappointed Christmas sales, all retreated.

There was one notable exception in the chemical drug group, Mallinckrodt, the St Louis-based chemical and health care group, shot up following a friendly bid from Avon, the cosmetics giant, which offered a \$710 three-stage cash and shares package involving \$50 a share for Mallinckrodt stock.

IBM also appeared to be carrying favour with the institutions at the end of the week. The recent reorganisation at IBM designed to make the huge computer giant more competitive and flexible, to changing markets have generally been applauded by the Wall Street electronics industry analysts.

MONDAY 871.48 -15.03  
TUESDAY 875.95 +4.47  
WEDNESDAY 868.72 -7.23  
THURSDAY 870.53 +1.81

## Yesterday's superstar takes a tumble

## MINING

GEORGE MILLING-STANLEY

THE PANTOMIME season is with us once again, the only time of year when fading stars of stage and screen are almost guaranteed to be able to find work.

Entertaining the children as Puss in Boots, Peter Pan or Cinderella may not necessarily be to the taste of the thespians concerned, and they may well find themselves delivering lines and performing bits of business that would have made them cringe in their heyday, but at least they are working.

No such guaranteed opportunities exist in the world of mining, however. Both business, pantomime and mining, are cyclical, but whereas the cycles of the latter are famed mostly for their unpredictability, everyone knows that Christmas comes once a year, and with it come the pantomimes.

These musings on the fate of fading stars are prompted by the humiliation suffered this week by one of yesterday's superstars in the world of metals, with the announcement of big production cutbacks by two of the world's leading producers.

The metal in question is molybdenum, or moly for short. Moly is used principally in the steel industry, where small quantities added to steel alloys

give strength and enhanced resistance to heat and corrosion. Amax of the U.S., by far the biggest producer of moly in the world, is to cut production by between 25 and 30 per cent at its two Colorado mines, Climax and Henderson.

The group produced 102m pounds of moly last year, out of total western world output of around 218m pounds.

## TIN OUTPUTS COMPARED

	Nov 1981	Oct 1981	Total tin output (thousands of tonnes)	Same period previous year
Amal. of Nigeria (tin)	4	4	786 (6)	721
Amal. of Nigeria (columbite)	4	4	50 (6)	115
Amal. of Nigeria (tin)	77	109	570 (5)	467
Ayer Hitam	350	133	685 (5)	832
Borneo	312	267	579 (6)	2,202
CRMI Sri Timah	67	63	1,559 (11)	768
Georgetown	109	84	839 (8)	749
Gold and Base (tin)	5	17	175 (10)	224
Gopeng	141	139	2,804 (2)	2,601
Idris	4	15	85 (11)	153
Kamunting	14	16	112 (8)	20
Kuala Kellang	40	43	2,891 (8)	2,361
Kuala Kampar	12	14	100 (8)	174
Malayan	60	74	3,449 (8)	2,437
Pengkalen	92	82	358 (6)	247
Petaling	80	83	801 (1)	82
Rahman	112	102	5,604 (9)	5,112
Si Puan	4	15	104 (7)	103
Si Puan-UK (South Croft)	5	178	1,049 (7)	1,140
Si Puan-Thailand	63	61	466 (7)	434
Sungai Besi	204	177	1,761 (11)	2,601
Tanjong Bahru	8	24	155 (8)	155
Tromoh	45	59	579 (11)	1,235

Figures include low-grade material. † Not yet available. Outputs are shown in metric tonnes of tin concentrates.

in addition to the present cut. Amal has postponed for at least two years the development of a big new mine at Mount Emmons, also in Colorado.

The other major producer to announce a cut in production this week was Canada's Noranda Mines, where output for 1982 will fall by about a quarter to between 8.5m and 9m

pounds. Noranda will make the cuts at three properties, the wholly-owned Boss Mountain in British Columbia, the Mines Gaspé division in Quebec and the 50.9 per cent-owned Brenda Mines, again in British Columbia.

The cuts by Amal and Noranda follow similar announcements from Canada's Beaver Development and Daval Corporation of the U.S. Placer said it was reducing output because of a sharp fall in estimates of western world moly consumption for next year. These have been revised down to 165m lbs, compared with earlier forecasts of up to 215m lbs.

Moly, once known as the "space-age metal," has survived longer into the worldwide recession than just about all other metals, but the currently depressed state of the world steel industry made its eventual fall from grace inevitable.

This particular fallen star will, of course, rise again. Moly has a melting point about 2,000 degrees Fahrenheit higher than

that of iron, and has already, in a life dating back only to the end of World War I, made itself indispensable in a number of applications.

Beyond that, Amal has very sensibly done a considerable amount of research into other potential uses. The list now includes synthetic fuel plants, solar energy installations, and lubricants for the new generation of cars, along with increasing demand from the aerospace industry for more fuel-efficient aircraft, both commercial and military.

Another piece of news this week provided a clear illustration of the present plight of the steel industry. A group of leading steelmakers from Japan, once the envy of all other steel-producing nations in the world for its profitability, has decided to put off until next year a decision on the development of a new iron ore mine in Western Australia's Pilbara region.

The postponement came about because of a downward revision of projected steel consumption in Japan.



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# YOUR SAVINGS AND INVESTMENTS -1

Rosemary Burr looks at Christmas with interest

## Gifts that get better

THE BEST Christmas presents are those that give pleasure long after the remains of the turkey have been eaten. It is an added bonus if the gifts appreciate in value as well.

Starting with the Christmas spirit in its undiluted form, a bottle of port or claret is a good bet. Sotheby's says although the market for wine is generally depressed at the moment, there are some good buys.

Sotheby's warns investors not to expect these wines to increase in value within a year but says "over five years you will be sitting on a handsome real profit which is tax free." Due to a loophole in the law there is no capital gains tax on wine sales.

But the watchword here is specialisation. Sotheby's recommends a 1975 claret—a good year after several poor vintages and prices are currently depressed. A case of 12 bottles

should cost between £80 and £90 from auction houses, slightly more from wine merchants.

Vintage port bottled in 1970 is the other hot tip. This is selling at about £8 a bottle from merchants and £6 from auction houses.

For the lucky lady or man in your life, £5 will buy five premium bonds, the minimum stake. The odds on your bond being picked by Ernie are 14,000 to 1 in any month. Since 1955 nearly 20m prizes have been won and punters have poured in almost £1bn.

Gold is always reassuring, so a few sovereigns currently priced at between £55 and £60 might not go amiss. The price of these is quoted daily in the newspapers so you can watch your investment fluctuate in value.

Other coins can be bought for quite reasonable sums. Roman coins, for example, cost between £20 and £30 whereas

Victorian coins range from £8 to £50 depending on their conditions. Silver buffets can choose early 20th century silver dollars for around £10 to £20.

If you want something colourful to hang on the wall which may or may not rise in value, then an old share certificate or bond could be the answer. These are relatively cheap. Sotheby's suggests a colourful South American bond issued by one of the railway companies, priced at about £25. Add the cost of a frame, say £16, and you have an ideal present for a railway enthusiast.

For a touch of Eastern promise, choose some nice (relatively cheap) Chinese bonds. The Chinese Government 5 per cent reorganisation Gold Loan 1913 is black and yellow with a vignette of Mercury and a Chinese landscape.

Shares may go up or down, but the perks attached to them are unaffected. Criverson Gram,



the stockbrokers has published a list of shares that offer perks. In many cases no minimum holding is required.

These include restaurants and hotel groups such as Grand Metropolitan and the Savoy. For one Savoy Hotel share, currently worth £2, you get a 50 per cent discount on accommodation at the hotel during August.

Discounts are also given to shareholders of several groups selling wine and spirits. One share in the Merrydown Wine Company will entitle the holder to a 20 per cent discount on cases of wines and cider.

If you are still undecided, then for £15.80 you can buy the Financial Times each Saturday for a year and read all about the investments you never made.

## First come first served

I am negotiating to buy a house and have been notified by the vendor's solicitors that they have forwarded contracts in connection with it to two others besides myself and that the vendor is bound to accept the first unconditional signed contract supported by a full 10 per cent deposit. Is this the correct legal position? I would have thought it was a matter for the vendor.

The obligation is imposed by the directions of the Law Society, which will not permit solicitors to act for a vendor who sends out more than one contract unless he agrees to be bound by the first unconditional signed contract received. A vendor acting on his own could stipulate otherwise but would have to frame his documents with care to avoid being bound by several contracts.

### Start of a development

I understand that having obtained detailed planning permission to erect a bungalow, we must start building within three years, or we may lose it. Could you tell me what would be the minimum amount of work which would be accepted as having started to build? Would digging out the footings for instance be sufficient?

The digging of a trench which is to contain the foundations, or part of the foundations, of a building is one of the five specified operations designated by Section 43 (2) of the Town and Country Planning Act 1971. If therefore you commence laying foundations the development will have been started.

### Renouncing probate

Under the will of an elderly relative I am named as one executor, the other being a solicitor. I am also one of the three or four beneficiaries under the will. The solicitor now wants me to agree that the Land Registry be asked to alter the Land Certificates to show the freehold of the right of way is vested in X and not me and

that case, have I any liability as regards the solicitor's fee?

Short of asking the relative to change the will, can I decline to act as executor if doing so involves personal expense or loss?

You can decline to act as executor—renounce probate—and would then be under no liability. If you do not renounce you would not be personally liable for the charges of your co-executor as solicitor to the estate unless you contract with or represent to the solicitor that you will make good any inability of the estate to pay his fees.

### Life tenant and capital

Under a Settlement A (aged 17) is entitled to a Fund on attaining 21 years. However, if he does not so attain and leaves issue this issue benefits but if no issue his brothers and sister receive. Can the Trustees allocate the capital now or at 18 years instead of waiting until 21?

It would require a careful consideration of the trust instrument; but the normal position would be that capital must be held intact (subject to advancement) until the life tenant attains the condition which vests the fund in him.

### A title to a way

Since 1959 I have lived in a semi-detached cottage to which I share a right of way with my neighbour over a piece of land which runs alongside the property of X, who bought it two years ago. It is now claimed on behalf of X that the right of way belongs to him and this is based on a document a hundred years old. I was however given by the Land Registry an absolute freehold title to half the strip of the right of way when I bought my cottage. X's solicitors now want me to agree that the Land Registry be asked to alter the Land Certificates to show the freehold of the right of way is vested in X and not me and

## FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

my neighbour and have suggested that it might be expensive if I resisted. I realise that I do have a right in any case, but what should I do? By use over 20 years you would have acquired a right to pass and repass over the right of way, not title to the way itself. In fact you have been using part of the way because you own it, not as a person prescribing for a right of way. Your proper course is therefore to rely on your Land Registry title and not to accept the proposed revision of the respective rights of ownership. If the claimant can persuade the Land Registry to change the register, you would be entitled to compensation. third parties.

### Total loss of a building

I live with others in self-contained flats in a converted Victorian house, the freehold of which is owned by a company limited by guarantee. Each resident is a member with a liability of £1.

The company administers central services and by agreement of the lessors arranges insurance of the property as a whole, recovering the premiums from the individual tenants. The leases require the proceeds of any claim under the insurance to be applied in reinstating the damage. In the event of a constructive total loss, e.g. by fire, the rebuilding to the original design would not be a practical proposition and a question arises as to the legal position of the lessors deprived of the "use" of the land.

It is likely that the management company would be required to dispose of the land and to distribute the proceeds to the shareholders? What otherwise would be the legal position of residents apparently only able to claim

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

for the insured values of their flats, ie rebuilding costs? As the land was acquired by the company without financial outlay, what would be the capital gains tax position upon its disposal at full value?

It would be up to the management company what it did with its land. Presumably the members would wish to realise its sole asset and then put the company into liquidation distributing its assets to the members. There would be corporation tax on the capital gain that would be payable. If the members' interests in the insurance policy have been noted as payment of insurance monies direct to them should be possible.

### Claim on former home

My ex-wife recently died, in the former family home more than 200 miles from where I now live of which we were joint tenants. As the survivor I understand that the property is now mine and does not form part of the deceased's estate, which is quite small. The children of the marriage, who are the beneficiaries, have received a claim from a man who states that for two years he co-habited with their mother and requires payment of a substantial sum for gardening, decorating and sundry repairs he carried out. He is still in the house, I gather, and it seems unlikely he would leave voluntarily.

If the estate were unable to pay an accepted claim would I be liable for the shortfall? Should the claimant realise that he is claiming against an estate of few assets, would he have grounds for switching the claim to me? Now that I hold written admission of cohabitation, can I counter claim for a contribution to the payments of rates, mortgage, insurance, etc. I made and he enjoyed? If he fails to vacate and attempts to establish a tenancy, what is my best course of action?

If the claim is made against the estate, you would not be liable for any shortfall. A claim might be made against you on the footing that improvements to the house were affected, but it seems unlikely that the work went beyond ordinary running repairs and household jobs. We doubt if a counterclaim such as you envisage could be maintained. You must take steps forthwith to ensure that any licence is properly terminated and to prevent there being any fresh licence or a tenancy. On termination of the former licence you can seek a summary order for possession under Order 26 of the County Court Rules. It would be wise to consult a solicitor to set up the process.

No revaluation for rating

I am considering the acquisition of a leasehold property which would be fitted against a French window giving access from the house. Do you believe this could lead to a demand for more rates? We doubt if your proposed greenhouse with access from a French window would lead to a revaluation for rating.

## Some light on benefits in kind

ASK YOUR acquaintances to tell you what they know about benefits in kind. How many dispassionate explanations would you get?

Even if you were to narrow your question to "what is a benefit?" you would probably get more heat than enlightenment. Here are a few thoughts, offered in an attempt to cool this emotive issue.

"Benefits derived by company directors and others from their employment" is the general heading of Sections 60 to 72 of the Finance Act, 1976. The original legislation was introduced in 1948, and has been extended and re-written, sometimes piecemeal and occasionally in whole, on many subsequent occasions. It owes the greater part of its present structure to Mr Joel Barnett, Labour's Chief Secretary to the Treasury in 1976.

As well as the catch-all provision designed to charge benefits

in general, there are included in this part of the tax legislation sections which deal with three specific forms of benefit—defining in each case how the employee should be taxed on an attributed amount of income. First there is the availability of a business car, (by which the

a low or nil rate of interest, or the employer may waive or forego calling for repayment of the principal sum.

Thirdly there is the matter of medical insurance. We have already mentioned that the benefits legislation is generally aimed at directors and others; those "others" are employees whose earnings (including benefits, and before the employee himself is allowed any deduction for expenses incurred in his employment) are £2,500 or more a year. The 1976 legislation about employers paying medical insurance for their employees was an exception to this, in that it taxed all employees below as well as above this threshold.

From April 1982 that provision is to be reversed. Employees earning less than £2,500 will no longer pay tax on the benefit when their employer pays for medical insurance, and for those earning more, the

benefit will cease to be calculated under Mr Barnett's special section, but will fall back into the general, catch-all, provisions.

This brings us neatly to those provisions. They make taxable, by treating as the employee's income, two things: first "any sums paid in respect of expenses," and secondly the cost to the employer of providing "accommodation" (other than living accommodation), entertainment, domestic, or other services, and other benefits and facilities of whatsoever nature (whether or not similar to any of those mentioned...).

Perhaps it should be said in parenthesis that Mr Barnett also rewrote the section dealing with all-employees living accommodation, so that the annual value of the property in the main part of the provisions in 1976. Reverting to the phrases quoted from the 1976 Finance Act, we should note that if there is any doubt about what is the cost to the employer—for instance where he allows the employee free use of an asset which remains the employer's property—the law specifies what "cost" is to be taken to mean.

It is the very breadth of the phraseology which is so daunting. The Courts have held that it is certainly not necessary for the employee to regard what he receives as a benefit: the particular case concerned a company briefing counsel to defend one of its key employees who was being prosecuted for a motoring offence, counsel's fees being greater than the indemnity dual would himself have chosen to pay had he been allowed to choose.

More vividly, if an employer found that he could never reach his chief executive on the telephone in the evening because the executive's teenage daughter was always on that "phone to her friends, it might insist on installing a second—for receiving calls only. The chief executive would no doubt regard it not as a benefit—but as a barely tolerable imposition. However, that would not stop him from being taxed.

The further question would then be whether the chief executive could substantiate a deduction, equal and opposite to the benefit counted into his income, on the basis that the cost of this telephone was money expended (admittedly by his employer) wholly exclusively and necessarily in the performance of his duties. But that would be a digression from our main search, for the common identifying feature of the benefits which have to be counted into income in the first place...

And the further we search, the more elusive the quarry becomes: because the charging sections are not quite all-embracing. They are punctuated by a few limiting exceptions proving that common sense can occasionally triumph even over cows as sacred to the Revenue as the principle that travel from home to work is a personal matter not a business one.

Mr Hemmley, for instance, recently fought off the Revenue in the High Court. He was a director of a plant hire company responsible for the maintenance of the plant whether it was out on hire or in the company's yard, and on call 24 hours a day for that purpose. His company supplied him with a car which it asked him to park at night in his own driveway rather than leave it in the company's yard where it could have been vandalised.

He was not permitted to use the car for private purposes, and told the court that he would not have wanted to, the car being five years old, generally covered in mud and grease and having well over 100,000 miles on the clock when allocated to him. It was true to say that his base of operations was his home rather than the company's yard where he did not even have an old common sense prevailed. The assessment on his "car benefit" was quashed. The message must be that all is not lost—"courage man am!" as Dr Pangloss would have said even if "le diable" continually refuses to admit that he should be "mort."

## BUILDING SOCIETY RATES

	Deposit rate	Share accounts	Sub'pn shares	*Term shares
Abbey National	9.50	9.75	11.00	11.76 6 yrs. Sixty plus, 10.75 1 year high option, 10.25-11.75 1-5 years open bondshare
Ald to Thrift	10.50	10.75	—	—
Alliance	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 11.00 £500 min., 3 mths. notice
Anglia	9.50	9.75	11.00	12.00 6 yrs., 10.75 1 mth. not. int. loss
Bradford and Bingley	9.25	9.75	11.00	10.75 1 mth. not. deposit
Bridgewater	9.50	9.75	11.25	11.75 5 yrs., 10.85 24 yrs.
Bristol Economic	9.75	10.50	11.00	9.75 3 months' notice and 10.75 on balance of £10,000 and over. Escalator shs. 10.25-11.75 (1-5 y)
Britannia	9.50	9.75	11.00	11.25 4 yrs., 11.00 2 months' notice
Burnley	9.50	9.75	11.00	11.75 5 yrs., 10.75 3 months' notice
Cardiff	9.50	10.50	11.50	—
Catholic	9.50	10.00	11.00	11.25 Extra share 3 months' notice
Chelsea	9.50	9.75	11.00	11.75 5 yrs., 11.15 1 yr., 10.75 3 mths.
Cheltenham and Gloucester	9.50	9.75	11.00	—
Cheltenham and Gloucester	—	10.75	—	Gold Account. Savings of £1,000 or more (9.75 otherwise)
Citizens Ragnacy	—	10.00	11.25	12.00 5 yrs., 11.05 3 mths. notice a/c, 11.30 6 mths. notice a/c
City of London (The)	9.75	10.00	11.25	11.25 Capital City shs. 4 mths. notice
Coventry Economic	9.50	9.75	11.25	11.50 4 yrs., 11.25 3 yrs., 11.00 3 mths.
Coventry Provident	9.50	9.75	11.00	10.75 E.L. a/c £500 min. 11.00 £5,000+
Derbyshire	9.50	9.75	11.00	10.25-10.85 3 months' notice
Ealing and Acton	9.50	10.25	—	10.90 2 years, £2,000 minimum
Gateway	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Gateway	—	10.75	—	Plus a/c £500 min. Int. 1-yearly
Greenwich	—	10.00	11.25	12.00 5 yrs., 11.25 3 months' notice
Guardian	9.50	10.00	—	11.75 6 mth., 11.25 3 mth., £1,000 min.
Halifax	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Heart of England	9.50	9.75	11.00	11.25 3 yrs., 11.00 3 yrs., 10.75 2 yrs.
Hearts of Oak and Enfield	9.50	10.00	11.50	11.50 6 mths., 11.25 3 mths.
Hendon	10.00	10.50	—	11.50 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Huddersfield and Bradford	9.50	9.75	11.00	10.25 2 yrs., 11.05 Golden key 28 days' penalty interest
Lambeth	9.50	10.00	11.75	12.00 5 yrs., 11.75 6 months' notice
Leamington Spa	9.60	9.85	13.20	11.35 1 year
Leeds and Holbeck	9.50	9.75	11.50	11.75 5 yrs., 10.75 1 mth. int. penalty
Leeds Permanent	9.50	9.75	11.00	10.50 E.L. a/c £500 min. 10.75 £5,000+
Leicester	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 mths.
Liverpool	9.50	9.75	11.05	11.75 5 yrs., 10.80 1 mth. int. penalty
London Grosvenor	9.50	10.25	12.00	10.75 3 months' notice
Mornington	10.30	10.70	—	—
National Counties	9.75	10.05	11.05	10.75 35 days' notice min. dep. £500, 6 mths., 11.15 min. dep. £500
Nationwide	9.50	9.75	11.00	11.75 5 yrs., £500 min. 90 days' notice. Bonus a/c 10.50 £2,500 min., 10.75 £10,000 + 28 days' notice
Newcastle	9.50	9.75	11.00	11.75 4 yrs., 10.75 2 mths. notice or on demand 28 days' int. penalty
New Cross	10.50	10.75	—	10.75-11.50 on share accs., depending on min. balance over 6 months
Northern Rock	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Norwich	9.50	9.75	11.25	10.75 3 yrs., 10.50 2 yrs.
Paddington	9.25	10.25	11.75	11.00 Loss 1 month int. on sums wdn.
Peckham Mutual	9.75	10.75	—	11.25 2 y, 11.75 3 y, 12.25 4 y, 11.0 Bns.
Portman	9.50	9.75	11.25	11.75 5 yrs., 11.00 6 months' notice, 10.75 3 months' notice
Portsmouth	9.55	10.05	11.55	12.10 (5 yrs.) to 11.50 (6 mths.)
Property Owners	9.75	10.25	11.75	11.75 4 yrs., 11.75 6 mth., 11.05 3 mth.
Provincial	9.50	9.75	11.00	12.00 4 yrs., 11.25 3 yrs., 10.75 2 mths.
Skipton	9.50	9.75	11.00	10.85-11.00 28 days' interest penalty
Sussex County	9.75	10.00	12.25	11.00 instant withdrawal option
Sussex Mutual	9.75	10.25	11.50	10.50-11.75 all with special options
Town and Country	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 11.00 imm. wdn. 28 days' int. loss
Wessex	9.75	10.75	—	—
Woolwich	9.50	9.75	11.00	11.75 3 yrs. £500 min. 90 days' not. on amt. wdn., 10.75 £500 3 mth. not.

\* Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

## In uncertain times, gemstone investments show their true colours

In times of economic uncertainty, when many investments are subject to wide fluctuations, sapphires are gaining in appeal as inflation sheltered assets of great durability due to their historical popularity and lasting value.

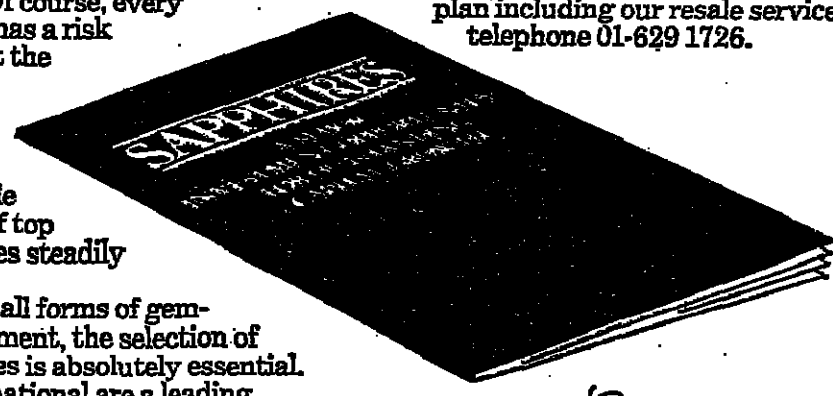
It is the belief of many experts that sapphire prices are likely to continue to accelerate. Of course, every investment has a risk attached but the world-wide demand for sapphires continues to grow, while the supply of top quality stones steadily diminishes.

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## YOUR SAVINGS AND INVESTMENTS-2

Rosemary Burr reports on the failure of a commodities broker

## Doxford's unhappy clients

ABOUT 100 angry creditors of London commodity brokers, M. L. Doxford, sat through a three-hour meeting at the Europa Hotel, London on Wednesday. During the creditors' meeting they were told by the company's liquidator, Mr Peter Copp of accountants Stoy Hayward, that they may not be paid more than 7p in the £.

A total of £1.33m is owed to 494 clients who pooled their funds to invest in commodity syndicates and gave Doxford discretionary power over these accounts.

For a number of the firm's most recent clients, the situation is less clear. After taking professional advice Doxford segregated clients' money

coming in later than June this year.

There is £31,000 of these funds sitting in a bank account. According to the statement of affairs prepared by Mr Copp, this is described as an asset of the company. Clients whose funds have been separated, now argue these should be returned to them intact.

Mr Michael Doxford, chairman of Doxford, who sat smoking pensively throughout most of the meeting, faced a barrage of questions from hostile investors. Clients waved statements showing they had cash balances on their accounts and demanded to know where the money had gone.

Mr Doxford shrugged repeatedly and then said "It is

sitting in fixed assets." Doxford had borrowed heavily partly to finance the purchase of the leasehold of its West End headquarters. This leasehold, the company's main asset, has been pledged against loans to Wilson Smithett and Cope, part of Guinness Peat Group.

As Doxford's seven-year history was unfolded at the meeting, creditors learnt how the group had diversified away from commodities into insurance and other financial services. They also discovered that activities such as power heats and illuminated moving display signs had swallowed up sizeable sums of the group's cash.

Promotional expenditure and sponsorship during the life of

the company amounted to £550,000. The directors collectively received remuneration totalling £558,000 in seven years.

Among major creditors were Justerini & Brooks, the wine merchants, Diners Club and National Car Parks. Two firms of solicitors are collectively owed just over £25,000.

The total estimated deficiency is £2.8m but the group's main creditor, Wilson Smithett and Cope which is owed £5,351m, will be repaid in full according to the statement of affairs.

Investors were told how Wilson Smithett and Cope continued to increase the size of its loans during the past two years. As recently as August 28 Wilson Smithett and Cope took

a specific charge over some of the company's fixed assets and in October got personal guarantees of up to £175,000 from the directors. M. L. Doxford's bankers were Dunbar and Guinness Mahon, also a member of the Guinness Peat Group.

Mr Doxford repeatedly made clear that the firm was under no legal obligation to keep separate clients' accounts.

The message is that investors need adequate safeguards to protect their funds. It is not enough simply to rely on a big brother in the form of the Stock Exchange, Bank of England or London Commodity Exchange.

When the crunch comes it is up to the individual investor to check out the company, and to make sure his money is secure in a segregated account. As a general rule of thumb it is also wise to get the company's annual reports. If it has not produced up to date figures, then ask why.

Unit trusts in 1982: Richard Lambert reports

## East, West—which is best?

THIS HAS been the year for funds invested in the Far East—but the UK might have more to offer to unit trust investors in 1982. That, at any rate, is the view of Faddy Linaker, M & G's managing director.

Some of the small-to-medium-sized companies on which M & G keeps tabs are already experiencing a higher rate of activity. A small improvement in output plus a much reduced level of overhead costs—and maybe a fall in interest and inflation rates could all add up to a sharp rise in profits from manufacturing industry next year.

So Linaker rather fancied the chances of M & G's Recovery Fund, and also of one of the

group's old stalwarts, Midland and General Trust Fund. Looking overseas, he thinks the America Recovery Fund could do well as the U.S. claws its way out of recession. A small investment in Australia might also be timely, if only on the theory that this year's stinker may turn out to be next year's success story.

Over at Britannia, investment director Stuart Goldsmith reckons that the U.S. has more to offer than the UK in the coming months—which is not to say that he is pessimistic about London's prospects.

Higher industrial profits should help to support share prices in the home market, but there is a much wider choice of

investments in the U.S. and more to hope for in the way of economic recovery. So he plumps for Britannia's American Growth Fund, with a couple of sidebets on the groups Energy and Commodity funds.

John Manser of Save and Prosper and Harry Littlefair of Allied Hambro are both still keen on the Far East. Manser's choice is Save and Prosper's South East Asia Fund, partly on the idea that a rise in commodity prices could be a big help to companies based in Malaysia and Singapore. Share prices there are well below their high points earlier this year.

Littlefair sticks to his Japan Fund, and also plucks Allied's Electrical and Industrial Development Trust, which is currently being revamped into a technology fund.

Barclay Unicorn's Bill Hilling is—for a unit trust manager—uncharacteristically cautious about the prospects for the next few months. He's expecting an uncomfortable winter in the UK, and thinks that anyone who believes the world can go by without a buoyant U.S. economy is living in cloud cuckoo land.

But that doesn't make him a bear. Barclays Unicorn is keen to pick up shares in good quality companies on those days when the stock market as a whole is looking sickly, and although it is not prepared to chase prices up, it thinks that the UK market looks a good bet over the rather longer term.

Rosemary Burr

## Oakeshott fires a salvo at investment trusts

INVESTMENT TRUST watchers may well see more in the future of 34-year-old Mr Matthew Oakeshott, investment manager since March of the £300m Courtaulds Pension Fund and a man whose previous experience includes the Kenyan Civil Service and merchant bankers S. G. Warburg.

Oakeshott is an enthusiastic member of the Social Democratic Party—between 1972 and 1976 he was a special adviser to Roy Jenkins—but certain members of the City establishment see him taking anything but a middle-of-the-road attitude to investment trusts.

Seven weeks ago Courtaulds Pension Fund shook the £6bn investment trust sector by launching a bid at asset value for Grange Trust, a £15m company managed by Touche, Remnant.

The move was no more welcome in some quarters for being unexpected—and it could just be the first of a new spate of investment trust bids.

Trusts came in for a lot of criticism in the late 1970s because of the often large discounts at which their share prices were standing in relation to net asset value. Until October, however, no trust had been on the receiving end of a major bid since the keenly contested takeover by the British Airways Pension Fund for Debenture Corporation in 1979 and the indications were that

supporters of the investment trust concept had been fighting back.

The abolition of exchange controls, which provided the opportunity for greater international diversification, the removal of capital gains tax on trust portfolios, which made investment by gross funds more attractive, and the increasing willingness of some managers more clearly to identify their aims all seemed to have combined to keep predators at bay.

Spectators will now be wondering if the Grange drama is just the first act of what could be a longer running show. Oakeshott seems to think so for since March he has deliberately sold most of Courtaulds' stakes in large investment trusts and built up several significant holdings in small vehicles. He is naturally tight lipped about his own plans but points out, "It is more likely that something will happen to the smaller trusts."

Courtaulds' declared investment trust holdings are as follows. The fund retains 8 per cent, which Oakeshott inherited, in Drayton Consolidated and has built up stakes in Murray Glen-Devon (18 per cent), Pentland (just over 10 per cent), Dundee and London, General Scottish, Glasgow Stockholders, Scottish Airways Pension Fund (all between 5 and 10 per cent). All except Drayton Consolidated have net

assets of between £10m and £40m.

"Certain investment trusts have well defined objectives and if they perform well have a role to play," comments Oakeshott. "There are, however, a great many which are all doing the same sort of job—and one which most institutions can do for themselves. Investment trusts which do not know where they are going or which do not have a good record should not be surprised if somebody takes them over."

Trusts, he feels, have not come up with a good reason for not being broken up. "There are a lot of good arguments in principle for being an investment trust," he says, "and I would accept them if managers took advantage of them. The ability to borrow money is one but very few do it." Oakeshott stresses that he does not see takeovers or even utilisations as the only solutions.

Although he realises that he has ruffled a few feathers over Grange, Oakeshott has received little direct criticism. "There are a number of other institutions which feel like me and the fact that 87 per cent of Grange shareholders accepted by the first closing date suggests that private investors are only too glad to get out at asset value."

Tim Dickson

A tax problem that could threaten married bliss

## His and Hers . . . not forgetting the man from the Revenue

SHOULD YOU let the taxman come between you and your wife? Any couple whose combined income exceeds £16,977 would do well to consider this question.

There are sizeable savings to be made by opting for separate taxation. Separate taxation is different from separate assessment, which merely redistributes the same tax burden between husband and wife.

By choosing separate taxation, the husband and wife's earned incomes are taxed as if they were single. The husband loses his married man's allowance of £2,145 and gets instead a single person's allowance of £1,375, as does his wife.

The graph prepared by stock brokers, Quiller Goodison, illustrates when it pays to choose separate taxation. Mortgage relief and pension contributions should be deducted from the earnings figures. Unearned income of either partner is treated as the husband's for tax purposes.

To calculate whether you would be better off being taxed as single people rather than a married couple, take the husband's earnings on the horizontal axis and move upwards to the wife's earnings. If the point where they cross is to the right of, or above the line, separate taxation will leave you better off.

Anyone considering separate taxation should get hold of form 14 from their local tax office. Husband and wife have to sign the form, and both parties' signatures are needed to reverse the decision.

It is still not too late to decide to go for separate taxation in the tax year 1980/81.

provided you inform the Inland Revenue before April 5. You can elect to be taxed separately at any time up to six months before the start of the tax year, or retrospectively if you decide within twelve months of the end of the tax year.

Rosemary Burr

## Careful drivers can lose the claims battle, too

NOTHING infuriates a motorist more than losing his no claims discount, especially after an accident in which he considers himself blameless. As he sees it, such a move by the insurance company simply adds insult to injury.

The NCD system was devised by motor insurers to reward careful drivers by charging lower premiums. Premiums are based on many factors, such as age of driver, type of car and place of living, but they are reduced by a percentage for each claim-free year up to a maximum of 60 per cent for four years. Certain companies

## INSURANCE

ERIC SHORT

will go to 65 per cent for five years free of claims.

When an accident involves two vehicles, both drivers usually claim on their respective policies and each insurance company settles the claim of its policyholder. If the insurance company considers that its motorist was wholly or largely responsible for the accident, the motorist's NCD allowance is moved back two years on the scale from the next renewal.

But if the motorist is considered blameless or only slightly responsible, the NCD is not affected. This is because the insurance company is deemed to get its money back from the other insurance company, even though in practice it doesn't.

This gives rise to the widely held view that the NCD will be preserved if a policyholder is not at fault. But it is a misconception. If no other insurance company is involved, say because the other driver has not informed his insurance company, the motorist's insurer has no other company against which to claim. The motorist has to

pay and his NCD suffers.

Motorists generally accept this to be the case if their car is stolen and subsequently recovered in a damaged state, but not in an accident. The recently formed Insurance Ombudsman Bureau, set up by certain insurance companies to handle complaints, has spent a lot of time explaining to aggrieved motorists that their insurance company is within its rights and following normal practice to reduce the NCD. It is a No Claims Discount, not a No Fault Discount.

The logical solution would be to change the system onto a no fault basis, but this would mean substantially higher premiums. Motorists wishing to protect their NCD against one accident may find that their insurance company offers a special scheme.

Under this, the motorist pays a higher premium, usually around 5 per cent more, and his NCD is protected if not more than two claims are made in a five-year period. Eagle Star recently launched a scheme that allows two claims in five years on payment of an extra 10 per cent in the first year, reducing to five per cent in the second year and nil subsequently.

Some insurance companies do not have any NCD protected schemes.

## A FINANCIAL TIMES SURVEY

## Manufacturing Automation

The Financial Times proposes to publish a survey on Manufacturing Automation. The provisional editorial synopsis and date are set out below.

TUESDAY 3rd MARCH 1982  
Advertisement copy date 17th February

**INTRODUCTION** Manufacturing industry is on the verge of a massive increase in productivity through a combination of computer based technologies and robotics. This article will review the origins of the automated factory and discuss the present state of the art.

**NC AND CNC MACHINERY** The earliest, and still the most important form of computer based machining is numerically controlled systems. This article will discuss the major manufacturers and their plans for the future.

**COMPUTER AIDED DESIGN** A review of the equipment available and the companies making use of it.

**COMPUTER AIDED MANUFACTURE** A logical step from computer aided design is to use the information stored in the system to control the manufacturing process. Examples of prototype systems will be given.

**FLEXIBLE MANUFACTURING SYSTEMS** This is the chief aim of factory automation: to combine CAD, CAM and robotics in a single system able to manufacture any desired part by programming the controlling computer appropriately. How developments are proceeding in US, JAPAN and EUROPE.

**ROBOTICS** Robots are advancing beyond mere pick and place devices. This article will examine the progress made by the principle robot manufacturers

## CASE STUDIES IN AUTOMATED FACTORIES

(i) Engineering (ii) Food Industry (iii) Automobile Industry

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Anthony Hayes

George House, George Road, Edgbaston, Birmingham  
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Please send what you can today to help us go on caring for children like Nicola.

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Dr Barnardo's

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Both Lloyds and the Bank of Scotland also give customers cheque, while the first ten chequebooks and guarantee cards. Lloyds charge 30p per cheques per quarter are free at the Bank of Scotland, which then charges 25p per cheque. Lloyds also offer customers access to its automatic teller services so they can get cash outside banking hours.

NOW is the time to dust down your National Savings certificates and check whether you are getting the highest possible return. Six million pounds are still invested in the pre-war certificates which are paying a nominal 2½ per cent or less. Anyone holding these should switch immediately to the latest blockbuster certificates, the 100rd issue which offers a nominal 3½ per cent compounded interest rate free of all taxes.

The decision is not so clear cut, however, for holders of other issues. Much depends on whether the investor is taking a view on the future of the pound to tie up money for five years. This is because the rates of interest on the new 200rd issues are lower in the early years than

The 16th issue has just been extended for a further year from December 13 with an interest rate of 8.3 per cent. The 15th issue, which has also been extended is paying a less attractive rate of 8.5 per cent. In this case, even on the short-term view, a switch to the 23rd issue would be beneficial.

**Rosemary Burr**

Bank	Account	Minimum monthly payments £20	Borrowing factor 30 times	Maximum limit £2,000	Interest paid 10.0	(%) Charged 19.5	Cheque- books Yes
Lloyds	Cashflow Personal Credit Plan	£10	30 times	£2,000	9.0	19.0	No
Midland	Holiday Christmas Club	£10	12 times	£1,000	9.0	19.0	No
Midland Bank of Scotland	Scotplan Personal Credit Plan	£	30 times	£	\$10.0	21.5	Yes
Clydesdale	Personal Credit Plan	£10	30 times	£1,000	11.0	21.0	No

‡ Not stated § Approximate figure

## The Association of Investment Trust Companies

## THE INVESTMENT TRUST TABLE

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

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### EXPLANATORY NOTES

*Use of total return statistics and care in interpretation*

The total return statistic, which adjusts the net asset values for dividends excluding tax credit, distributed during the period, enables companies with substantially different capital growth and dividend policies to be more fairly compared. A period of five years provides a good indication of trends and, in normal circumstances, should cover a traditional bull and bear market in the major stock

The total return statistic for split capital trusts is not comparable with that for other companies because of the difference in capital structure. The split capital

## Further information on Investment Trusts

Copies of 'A Guide to Investment Trusts' are available

The Guide explains how Investment Trusts work and summarises their advantages. It also explains the world-wide investment opportunities they offer and discusses performance, taxation, pricing and the discount.

Send for your free copy today. Fill in your name and address, cut around the dotted line and send to: The Association of Investment Trust Companies, FREEPOST, London EC2B 2JJ (No stamp required if posted in the UK). Telephone: 01-588 5347.

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accountant ☐ solicitor ☐ insurance broker ☐ banker ☐



## PROPERTY



Left: Victoria school suitable for conversion into artist's studio, plus the former schoolmaster's cottage at Hursbourne Priors, near Winchester, Hampshire, for sale in the region of £60,000-£65,000 through Pearsons, 17-21 London Street, Andover (0264 52207).

Right: Poland Barn in 1½ acres near Odham, where there is detailed planning consent to convert into a 3-bedroom house. Around £40,000 is being asked for the barn with various outbuildings through Pearsons, High Street, Hartley Wintney, Hants (025-126 2033).

Below: Three cottages and an apartment being converted from a 300-year-old village theatre in The Square, Ramsbury, Wiltshire, are for sale between £25,000 and £35,000 through John Galica, A. W. Neate and Sons, 8 St Mary's Hill, Cheap Street, Newbury (0635 42961).



## The art of rehabilitation and conversion

BY JUNE FIELD

SAVING AN old structure is not just a question of running a successful crusade. The real problems often lie ahead, with the actual rehabilitation and conversion of old buildings for modern living, point out chartered surveyors Mr Ian A. Melville and Mr Ian A. Gordon in the foreword to *Conversion: Improvement and Extension of Buildings* by Michael and Sarah Carr.

Subtle alteration, improvement and extension to enhance a building's existing qualities and to provide complete comfort for the occupants are of equal importance. And the authoritative new book is no glossy coffee table work full of generalities—the Carrs have been in practice together since 1969, and they feature some 24 down-to-earth examples of projects carried out with all the various building regulations explained. They include the turning of terraced town houses into apartments, transforming a dilapidated dairy into a home, producing a security-conscious home for an Arab of royal descent where the aggregated total costs greatly exceeded the original market value of the property, plus a conversion of a farmworker's dwelling with barn and stables attached, into family accommodation.

The original ground floor was adapted to provide a large kitchen plus bedroom/bathroom suite for an en suite, the existing staircase retained in its original position, and large circulation areas provided for those essential for country living: space to take off muddy

boots, leave clothes to dry and let the family dog run in and out without fuss.

Other useful schemes cover converting a seaside house into self-contained apartments for summer letting—keeping one section for yourself—and how to deal with easements and bed-sitters, and multi-occupation in general.

Equally expert and probably of wider appeal, because of its international coverage and variation of illustration, is *Saving Old Buildings* by architect Sherah Cantacuzino and Susan Brandt (Architectural Press, £28). This excellently produced book ranges from the conversion of a sweet factory in New York City to artists' apartments and studios, to rehabilitating old work-buildings such as warehouses, water mills and barns into accommodation for both living and leisure activities. Shown are apartments in a tannery in Massachusetts, some in a piano factory in Boston, others in a granary in Driffield, Humberside.

Some pertinent words of warning for those considering buying former farm buildings for conversion into a home came this week from Mr Cliff Holt of the building surveyors' department of Strutt and Parker's Salisbury office: "Before contracting to buy any redundant farm building check the local authority's policy towards conversion; it varies considerably around the country. The grant for conversion from non-dwelling use is covered in the Housing Act, 1974 under a Discretionary

Grant, and as such cannot be relied upon, especially in times of recession. These grants must not be confused with Improvement Grants for existing dwellings, that is for old cottages, where an allowance is often negotiable.

"Employ an expert to draw up plans. A local building surveyor or architect will be up-to-date on the local authority's policy and specific requirements, and as a rule be able to submit a stronger case, particularly when there is some continued agricultural use. And above all, allow plenty of time for a project to come to fruition."

As an example of a successful but drawn-out job, Mr Holt quotes the conversion of the 17th century coach house at Shilden Farm, Hampshire, which is now two homes, housing the farm manager, and the shepherd, winning a Farm Buildings Award this year. The idea got under way on December 24 1976, and it was not until early in 1979 that conversion was completed, at a cost of £37,000 excluding grants. The work included lowering the ceiling and building dormer sash windows into the roof, so creating two floors yet retaining the original height. Facing bricks from the original internal partitions were used to build up the old door openings and renovate defective walling. Although most of the roof was good, timbers needed treatment.

With so many barns now obsolete and decaying, some councils will allow residential use, particularly in the smaller



ones. In Hampshire, the barn at Polands Farm, in one and a half acres, has detailed planning consent for a three-bedroom house. Pearsons of Hartley Wintney are asking around £40,000, which includes various other redundant farm buildings. At Fyfield Grange, Andover, Pearsons' Andover office, together with Lane Fox and Partners, 36 North Audley Street, London, W1, were offering a period barn with outline planning permission to convert into one dwelling for offers in the region of £15,000.

Some 75 minutes down the M4 from London, seven miles from Marlborough, a 300-year-old village theatre originally used by travelling players and, at the turn of the century, for bioscope entertainment is being imaginatively converted. The Old Theatre Place, 5 The Square, in the pleasant Kennet valley

of Ramsbury, Wiltshire, is now three new cottages, each with two bedrooms, garden and car parking space. There is gas central heating.

The pretty white-washed brick and cobblestone cottages which are suitable for either permanent or second homes are around £35,000 each, with £25,000 for a single-bedroom apartment which is being incorporated into the terrace. Contact Mr John Galica, A. W. Neate and Sons, 8 St Mary's Hill, Cheap Street, Newbury (0635 42961), who can organise viewing by appointment with the Herefordshire builder, Mr Roger Moore, staying in one of the cottages and working on behalf of the owner who will eventually be moving to the end cottage.

For those involved in conversion and restoration, *Architectural Salvage* (1981), edited by George Kirtin, 151 Wardour Street, London, W1, is a particularly useful register of all types of reusable building material and architectural features. It operates on an agency basis, aiming to put buyer and seller directly in touch with each other. To enter an item on the register for sale, there is a scale of charges from £7.50 to about £70.00 according to value, with single items up to £30 being indexed free to encourage the salvage of small items.

To get a list of things to buy you pay £10, after first filling in a questionnaire which is then indexed. You should get appropriate information for one year. How much depends on how eclectic your request is. One subscriber wanted a handstand, and it took 12 months before one surfaced on the computer; another needed some sort of monument for a village centre, and dove-cotes are always in demand, they told me. The main thing to remember is that they do not keep any goods, they are not dealers, and no commission is charged on a sale which is negotiated entirely between vendor and purchaser.

The current list of salvage available included 17th century moulded oak beams, some cast-iron steel beams, Victorian oak pews and choir stalls, Regency doors, a three storey pitch pine staircase, Georgian fanlights, cast-iron fireplaces, Victorian spiral staircases, old sash windows, some church lanterns and stained glass, as well as marble slabs and a modern stove.

Details Architectural Salvage from Mrs Jackie Hargrave, Hutton and Rostron, Netley House, Gosnell, Surrey (048 641 3221); copy of *Conversion: Improvement and Extension of Buildings* £18 including postage to Estates Gazette (George Kirtin), 151 Wardour Street, London, W1.

## Winter circuit

### CHESS

LEONARD BARDEN

AN IMPORTANT element in British chess is the summer tournament circuit which gives our young players opportunities for international titles. The series of the Grieson Grant British Championships, Lloyds Bank Masters and Benedictine International is held over a continuous six weeks and proved its worth in 1981 when the home players scored well against Russia's ex-world champion Smyslov and other highly-rated visitors.

Despite the difficult economic background, organisers have this year also established an important winter circuit which provides yet more encouragement to rising talent. Lewisham in November is followed in December by Ramsgate, Brighton and the traditional ICL Premier at Hastings.

Mark Hebden, 23, won first prize at Lewisham and gained the international master title at Ramsgate. Hebden looks like being the British player of the year in more than one sense: he is favourite to win the £2,000 Leigh-Grand Prix for the best overall 1981 congress results, while his achievement of becoming an IM by three norms in successive tournaments has rarely, if ever, been matched in this country. His style is pleasingly direct and aims at the opponent's king, as in this win over a Polish grandmaster.

WHITE: M. L. Hebden (England). BLACK: A. Kuligowski (Poland). Sicilian Defence (Lewisham 1981).

the second place and IM norm at Ramsgate for Daniel King, 18, who drew with both Miles and Nunn, Britain's best players. It is clear in general that although British chess still lacks a Karpov or Kasparov our depth of talent makes us natural rivals to the Russians in the younger age groups.

The problem is to keep up the momentum, and that is compounded by the difficulties of adequately financing low budget events like Lewisham and Ramsgate where entry fees and donations have to cover both a small prize fund and, more important, the necessary number of overseas GMs and IMs stipulated by the World Chess Federation.

Such tournaments are often precariously balanced between viability and a deficit paid for by voluntary officials, and in these conditions the role of an organisation like the Friends of Chess which provides marginal funds to the Friends costs £30, patron status is £30, and corporate memberships or donations for specific projects are also welcomed. Further details are available from 19 The Ridings, Frimley, Camberley, Surrey.

Meanwhile, the winter circuit moves on. Brighton is currently in full swing at the Brighton Centre, while the ICL Premier at Hastings starting December 28 will include the first one-to-one game between Nigel Short, at 16 England's youngest IM, and Vasily Smyslov, at 60 the oldest active ex-world champion.

POSITION No. 402  
BLACK (7 men)

White to move: what result? A casual glance suggests that White wins by 1 P-Q4 and queening or that Black wins by K-N4 and eating the white pawns; but this apparently simple pawn endgame has concealed finesse.

PROBLEM No. 402  
BLACK (4 men)

White mates in two moves, against any defence (by T. R. Milford, 1915). A puzzle composed in unusual circumstances—during a lull on the French battlefield in World War I.

Solutions Page 12

### WOODLANDS FOR SALE

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## LEISURE

## Back to the bush

BY LUCIA VAN DER POST

YOU CAN KEEP your temples, your baroque cathedrals, your castles and your Bouillabaisse—just give me the smell of the heat and the dust, the sound of the reed-buck whistling in the wind, the sight of the lumbering white rhino browsing in the shade of the thornbush tree, of great birds wheeling in a smog-free sky. I ask for nothing more.

I do not seem to be alone. As man in affluent societies is imprisoned ever more closely in bricks and mortar as he becomes ever more reliant on his gin and tonics, the feel of thick-pile carpets between the toes, of instant hot-water upon his back, the one great experience that eludes him, is the sense of being part of the natural world as it always was. This is the great gift that South Africa still has to offer.

You may, of course, if that is your notion, go to South Africa to lie upon sandy beaches. Because it is high summer there when winter is at its darkest here, you may leave Heathrow one grey and chilly evening and arrive in Durban find a blazing sun ready to greet you at the other end. You will find seas as blue, beaches as sandy as any that titillate the mind's eye when life seems as its greyest.

You may go there because you have heard tell of the prices. It is, for instance, possible to stay at the Royal Hotel or the Maharani, two of the most elegant hotels in Durban, with all the amenities we are used to in Europe but infinitely better service, and never pay more than £30 a person per day. You could eat your fill of one of the most varied and delicious cold tables I have come across (including crayfish, smoked salmon, oysters and a wonderfully fragrant and garlicky fish soup) for about \$6 a head. You could sip a fine Nederburg Edelrood at £3 a bottle (hotel prices) or, you could broach a crisp Fleur du Cap Riesling at a very similar price.

If you are one of those organised people, the sort who can decide at least six months ahead where you would like to be, then you can write to the Natal Parks Board and rent, for an almost derisory sum (something like £4 a night per person, including cooking and cleaning help) a clean and charming circular building known in South Africa as a rondavel. You may rent one in the heart of the Umfolozi game park where after the sun has set you will hear nothing but the night sounds of the bush, see nothing but the unfamiliar stars glinting in a Southern sky and wake to the sight of warthogs running across the camp-site.

At Giant's Castle in the Drakensburg mountains you may use your rondavel as a base and spend many happy days walking in the hills and valleys. You may, in the evenings, view the last known paintings of the Bushmen whose final valiant battle against the forces we call civilisation was fought in this glorious setting.

If self-catering is not your line, no matter how painless (and in South Africa, it is as painless as I have encountered, which is to say that every game reserve or park, has a roaring



barbecue at night and servants who will cook, wash-up (and clean) then you may find the hotel at Cathedral Peak in the Drakensburg mountains more to your liking. In a setting more beautiful than any I have encountered you may stay in the kind of hotel that has all the hallmarks of the time capsule—enter it and you cannot believe it is 1981. 1931, it seems like at the very latest. Blancmange and mulligatawny soup, steak and kidney pie, trifle and custard are on the menu. (Mousse has not been heard of). In every corner hovers somebody anxious to please. And the best—dear heavens, can this be true? About £15 per day for a private room and bath, full board (including a five-course breakfast), evening entertainment of the flickering cinema, screen, variety and access to mountains so beautiful that just to look upon them makes one feel all can't be wrong with the world. There, just at hand, beckons the tantalising choice of swimming-pool or tennis-court, trout fishing or pony trekking or better still, a long, solitary walk in the clean, bright air and the blazing sun.

If haute cuisine and the sophisticated, worldly pleasures of nightclubs and cocktails are what you hanker for do not go to Cathedral Peak—you will not find them.

But the reason I go to South Africa and would go back again and again is because there you may see what remains of the world's wildlife living just as it always has surrounded by the trees and bush and water that make up its natural habitat. It is a unique experience, one that is always different and can never be packaged and presented on demand.

You must go with hope and patience, prepared to sit long hours beside pools and streams and if you are lucky you will be rewarded with some of the most magical sights the world has to

offer—the sight of the white rhino rolling in the mud, of elephant reaching high into the branches for food, of buck darting through the bush, or giraffes gazing above the trees and, if you are lucky, of lion gambolling with their cubs, or leopard in the trees.

There are many organisations that will take you through the game parks of Umfolozi and Hluhluwe or to the birch sanctuary of St. Lucia but if you are reasonably fit and have a hanker for such things I urge you to try a wilderness trail through the bush. In this way you will see the whole natural habitat as man is meant to see it—it is, I assure you, a quite different experience from rushing through the parks in the protected fortress of the car.

You need an expert guide and there are quite a few organisations that will help you to do this. The Wilderness Leadership School run by Ian Player, SACCAP (run by Tim Condon) and numerous other tour operators now offer this kind of trail. Some addresses are given below. The Zululand Safari Lodge is worth knowing about. A very comfortable hotel, with its own pool, it is beside a private game park and though it doesn't offer the big game (lion or elephants) it does offer walking trails through the bush, alive with buck, rhino, monkeys and other fauna, as well as night and dawn rides.

Those who go to South Africa to shoot wild game (and though it is an activity I don't quite understand myself, some shooting is necessary and humane, simply to keep numbers down and to put old and ill animals out of their misery) should note that it is possible but that permits are necessary and the price is quite high. It will cost between £700 to £1,500 for a lion, about £5,000 for rhino. Don't go totally unprepared.

Do try and do a little reading first. *Jock of the Bushveld* by Sir Percy Fitzpatrick is the obvious starting point for those who know nothing of South Africa or its terrain. Ian Player's classic tale of the saving of the white rhino is a must for all interested in conservation. *The Washing of the Spears* by Donald R. Morris is a marvellously gripping account of the rise and fall of the Zulu nation, of the history of Natal province and the Zulu wars. If you're going to any game reserve or the St. Lucia estuary take a copy of Austin Roberts's classic work on South African birds. Finally, don't go without a good pair of binoculars.

Some addresses: The Wilderness Leadership School is at P.O. Box 36, Bellair 4006, Natal South Africa. SACCAP Outdoor Leadership School, Box 2744, Durban 4001.

The Natal Parks Board is a marvellous source of information and issues many leaflets on wildlife, individual parks etc. The address is Natal Parks, Game and Fish Preservation Board, P.O. Box 662, Pietermaritzburg, 3200.

In this country SATOUR will advise on any aspect of holidays in South Africa. The address is Regency House, 1/4 Warwick Street, London W1. British Airways now run a direct flight from London to Durban every Wednesday, which saves several hours of waiting to change planes at Johannesburg. Apex fares (must be booked one month in advance, must stay for a minimum of 14 days) are now £440 in the low season, £618.50 in the high. In addition Sovereign Worldwide Holidays offers holidays based on Durban which, for a small additional cost, can include a mini-safari with two hours of game-watching in Hluhluwe and a night's stay at the Zululand Safari Lodge (from £580 for seven days).

XR2, the latest version of Ford's highly successful Fiesta, is a thoroughly sporting small family car. Powered by a version of the long established overhead valve 1.6 litre engine—not the later overhead camshaft engine of the Escort—the XR2 whips up to 60 mph from a standstill in 9.3 seconds. That will offend drivers of costlier cars like the Audi Coupé (10.2 sec) and the Ford's own Granada 2.8 GL (9.9 sec) at the traffic lights.

The engine spins eagerly up to the red line on the tachometer at 5,750 rpm, representing 50 mph in second gear, 75 mph in third. Ford claims a maximum of 105 mph, which is realistic, because the engine will be turning over at just under the 5,500 rpm at which it develops its 84 horsepower. At over 4,000 rpm—says from 75 mph upwards—there is a lot of exhaust boom but otherwise the XR2 is as refined as it is entertaining to drive.

Low profile 60 series tyres on light alloy wheels and some suspension "tweaks" evolved by the team who also developed the outstandingly good Capri 2.8i make for ample cornering grip, quick



steering and almost nervously responsive handling. The fat tyres tend to "tramline"—you feel a slight twitching from side to side on uneven surfaces—but it's their only drawback. Even the ride is most comfortable. The steering is not at all heavy when parking. Never ones to miss a marketing

trick, Ford have made the XR2 the first British car to be offered with Citizens' Band radio as a standard extra. It costs about £100 and is easily fitted into the centre console. Today's young family man, who as a bachelor ran an MG, will find himself entirely at home in the XR2, with space for the children

in the back. It costs £5,500 in solid colours. Henry Ford I ("You can have my Model T in any colour you like so long as it is black," he said in the early 1900s) must be spinning in his grave: the XR2 costs £77 more in black than in a colour and metallic paint is only another £7 extra.

## Campaigning against rust

CARS DON'T RUST as badly as they used to. Well aware that a reputation for vulnerability to corrosion can have a disastrous effect on sales, makers are taking rust protection seriously.

Rust traps have disappeared from most cars. Plastic liners often protect wheel arches and the tops of front wings from the gravel rash that led to paint damage and rusting through in two or three years. New painting techniques, the use of protected sheet steel and the application of anti-corrosion compounds at the end of the assembly line have all helped. Some makers are now confident enough to offer warranties against rust holes appearing within six years, though the owner has to follow rules. These cover matters like regular inspections and having even the most minor body repairs carried out by the official dealer for the car.

But there are limits to what can be done on the assembly

line. Thorough rust protection takes time; a matter of hours, not the two or three minutes that all the car maker can spare. So even Ford, who do as much as any volume manufacturer to delay rusting of their cars, say additional underbody protection is beneficial, especially if the car is driven where salt has been used.

## MOTORING

STUART MARSHALL

clear icy roads. Which means just about anywhere in the British Isles this week.

There are a number of proprietary anti-rust products available, and according to Tuff-Kote Dinol's managing director in Britain, Knut-Sigurd Wilberg, there are likely to be many more soon. Cowboy

operators, who have given the whole rustproofing business a bad name in some parts of the U.S., are thought to be planning to move into this country.

Obviously, Tuff-Kote Dinol have an axe to grind, but they are the world's largest company in the field and have more to lose should the public—and the car makers and importers—turn away from rustproofing. Most of the problems that have arisen with ineffective rustproofing have been due to faulty application techniques and untrained operators.

Tuff-Kote Dinol, a Swedish-based company who have supplied Volvo with rustproofing materials for 17 years, have been chosen by Citroën to protect every 1982 car they sell in Britain. The initial pre-delivery treatment will be applied in France, followed by a second one here. Citroën then offer a six-year anti-rust guarantee, indemnified by TKD. The car will have to be

re-treated twice, at 14 months and four years after purchase. The cost varies between £50 and £80 a time, according to model, but only £20 for any Citroën after four years. TKD's computer will tell Citroën owners when the inspection and re-treatment is due. Other importers may soon offer a similar service.

Is the cost of rustproofing (between £100 and £150 for most cars) is what TKD charge for their quite elaborate two-stage process) reflected in a higher resale value? Do you get your money back? If, like fleet owners, you sell within two years of purchase, probably not but if you buy with your own funds and keep the car three or more years, you almost certainly do.

I have sold my last four cars privately. "Has it been rust-proofed?" is among the first questions a serious enquirer asks. Being able to say yes stops a lot of haggling.

## RACING

BY DOMINIC WIGAN

WITH RACING still in the grip of a freeze-up, not is probably a good moment to look at some jumpers on whom a level stake bet will, it is hoped,

pay off over the remainder of the season.

All in the list are horses who, at present, are either off a favourable handicap mark or likely to start at generous odds because they come from stables not noted for gambling. They are examined in alphabetical order.

Baron Balkeney (trained by Roddy Armitage), a tough half-sister to Brown Jack, she should

odds winner in the top grade should the ground come up heavy.

Brave Hussar (Bob Turnell). Although his trainer has never won a Triumph Hurdle in this race's long history this 33 to 1 chance could be the one to change matters.

Brown Veil (trained by Roddy Armitage), a tough half-sister to Brown Jack, she should

leave her moderate hurdling form well behind once she is allowed to tackle three miles or more in first novice and then handicap classes.

Court Green (trained by Nadine Smith), a much improved first season hurdler.

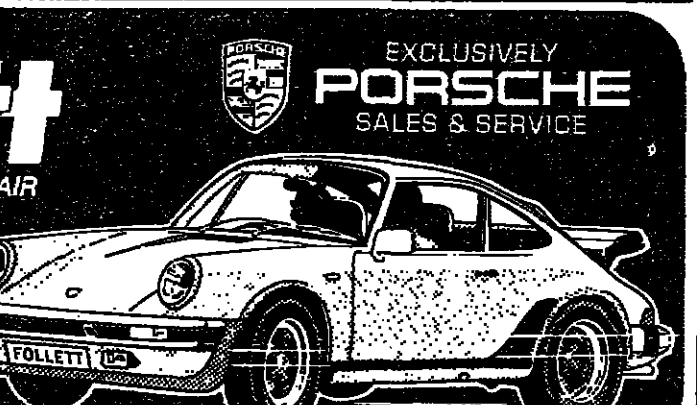
Fort Belvedere (trained by Jenny Pitman). He is now thought to be back to somewhere near his best.

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## BOOKS

## Bismarck herrings

BY JOE ROGALY

Bismarck  
by Edward Crankshaw.  
Macmillan, £9.95, 451 pages

At last the truth about Bismarck has been revealed. He was not really the Iron Chancellor at all; still less the far-seeing, if wily statesman in whom we have been taught to believe. Actually, he was the J. R. of the 19th century, a totally unscrupulous schemer who outwitted all his contemporaries—and, in nearly every episode, came out on top.

This picture of Prince Otto von Bismarck-Schönhausen may be true, or it may not: Mr Crankshaw's opinionated pleading hardly settles the matter either way.

The question of how much weight to give to the role of a single individual in history is not properly addressed. Clearly, Bismarck stood out among ambitious young Prussians of his day as the most intelligent. Plainly he was the most forceful personality. He apparently managed to rise to the Chancellorship on the basis of those qualities alone, and, having stepped into the post, he engineered the wars and alliances necessary to unify Germany and crown his king emperor of the new Reich.

But would none of this have happened without him? The question is of course on a level with all the others—the Russian

Revolution without Lenin; the second World War without Hitler; the Allies' victory without Churchill; the British Labour party's decline without Michael Foot. If you thus take the list down to the ridiculous point becomes clearer: behind all these strong personalities, lay forces of greater historical significance than themselves. In the case of Mr Crankshaw's book, you would hardly think that true of Bismarck.

In these pages it is nearly all a matter of diplomacy, spiced by chicanery. Bismarck manipulates his king, William I, to suit his own lust for power. He bribes and indirectly manages selected newspapers. With total contempt he plays off his politicians, changing sides to suit himself. He is never without a new trick up his sleeve; he never fails to astonish his public. They see through him, know he is a devil, but cannot help admiring him for his cleverness. It is exactly the kind of appreciation that makes the villain J.R. a TV hero.

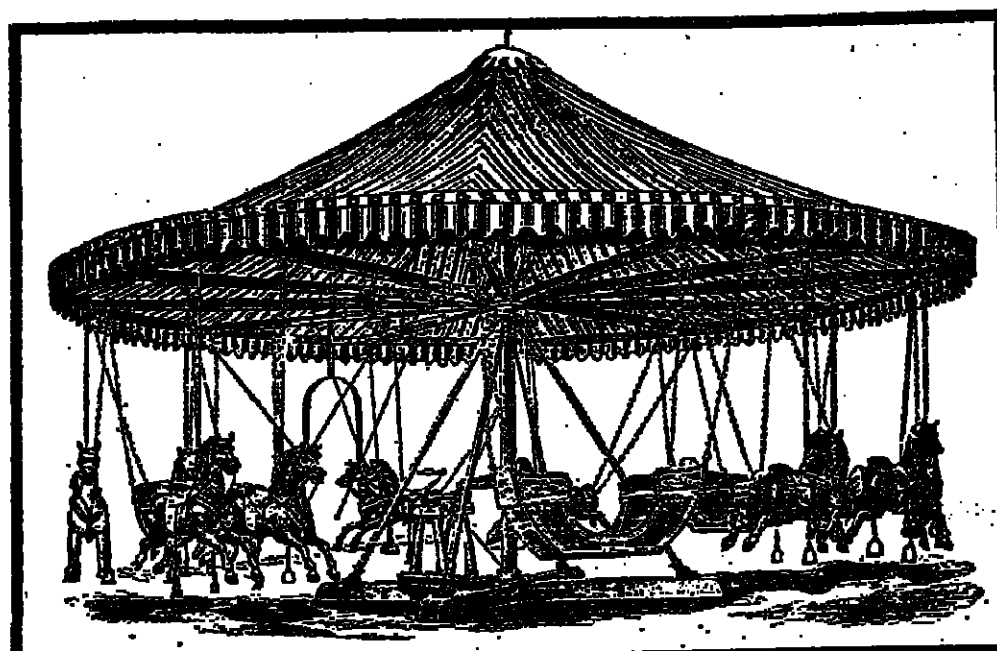
The trouble is that, whatever point of view one takes about Bismarck's character, it is Crankshaw is the most critical of biographers. There is surely more behind his success than sleight-of-hand. The economic changes in central Europe in the 19th century, which had a great deal to do with Prussia's ascendancy, are sketched in briefly as barely necessary

background. The genuine ferment of nationalism (which presumably would have been there had Bismarck never been born) is hardly touched upon. The accompanying social changes are given the most perfunctory of brush-strokes.

Although his hero is associated in many minds with the progressive social insurance laws introduced at his urging, this lasting advance is mentioned only in passing; indeed the first three-quarters of the biography take us only as far as victory over France and the unification of Germany in 1871. After that, Mr Crankshaw says,

"In a study of his life-work, his achievements and failures, we can very soon escape from detailed chronological unfolding: for the next twenty years in everything he did he was simply ringing the changes on the many aspects of a highly complex character."

Unfortunately, the next twenty years, here skipped over so lightly (and almost entirely in respect of foreign policy), contain much of what has lasted: the Bismarck Reich no longer exists and, as Mr Crankshaw himself concludes, "What remains of the glory? Friedrichstrasse; a grave; an equivocal memory."



The United States Merry-Go-Round Company's Flying Horse Machine as advertised in 1913. It is one of more than 1,000 illustrations, including 700 in colour, in "Fairground Art" (White Mouse Editions/New Cavendish Books, £39.50)

## Man of stone

BY DAVID PRYCE-JONES

Eric Gill: Man of Flesh and Spirit  
by Malcolm Yorke. Constable, £12.50, 304 pages

Nothing about Eric Gill made sense, except his talent. Malcolm Yorke, in this rewarding study to celebrate Gill's centenary, rightly calls him "an eternal student" but does not quite convey how impossible he was. He turned out loads of books and articles, he did wood engravings, he sculptured figures and bas-reliefs, and designed type-face and furniture and a church, all in a strong personal idiom. His quarrelsome crankiness made even friends rueful and wary. Here was another of those volcanoes rattling and erupting from who knows what depths in the tranquil landscape of the English arts—like Wyndham Lewis, like D. H. Lawrence.

So passionate and humourless an arguer that other people are invariably wrong in principle and in practice cannot help being a little comic. The truer he was to himself, the more he gave off the impression of caricature. Stocky, with a thrusting beard, he dressed in a smock to the knees, revealing red stockings which were a relic from early Fabian days. The Arts and Crafts movement held him fast, though he dipped into its by-ways, Indian metaphysics, pacifism, nature-wor-

ship, social revolution. Always more convictions than logic.

Conversion to Roman Catholicism in 1913 offered an orthodox framework, however idiosyncratic, for his interpretation of it. Throughout the First War, he was carving the Stations of the Cross for Westminster Cathedral, his most famous and perhaps best work.

Gill was prepared to make allowance for anything functional. What bothered him was how an artist concerned with quality was to find purpose and self-respect in a mass-production society concerned with quantity. An artist's offering was sacramental or it was nothing—he was a maker, and making to the greater glory of God. To maintain purist standards, he founded a community at Ditchling in Sussex, under Dominican inspiration, and then another at Capelthwaite in Breconshire. One of the artists whom he greatly influenced in both places was David Jones.

Sex distracted these utopias. Women were supposed to see men in rather the way that artists saw art; they were there primarily for service. Not a considerate husband, Gill was something of a satyr. Studied nudity often had nothing to do with good work, and Gill's self-justifications sounded sanctimonious.

Malcolm Yorke is the first to discuss at length what eroticism meant to Gill. Much of his unpublished power derives from it. But many drawings and carvings, including crucifixions, have an emphasis on private parts which looks forced. The British Museum apparently has in its safe-keeping a number of his unpublished erotic sketches which sound childish, as described in this book.

So much of his reputation had depended upon ego that it vanished as though for ever after his death in 1940. He was less competent technically than several contemporaries. Epstein, say, or Augustus John—but he was prepared for more profound wrestling with the angel. In the long run, as Malcolm Yorke thinks, that may be what comes to count.

## Next stop Canton

BY DAVID BLACKWELL

Slow Boats to China  
by Gavin Young. Hutchinson, £8.95, 480 pages.

Passenger travel by sea, as Gavin Young discovered, is moribund, and much of this book is taken up by the difficulties he encountered in fixing sailings.

His initial approaches to travel agents were fruitless, and he decided to take his sailings to Canton as and when they came. "There was no point in relying on elusive dates and problematical itineraries of ships subject to whimsical change... I would board any vessel moving in the right direction."

Mr Young expected to be away for four months, but in the event it took him seven months and 23 vessels to reach Canton from Piraeus. Among his adventures was a near-sinking in a severe storm which hit the launch carrying him to the Maldivian islands. But his most

dangerous moment happened while crossing the pirate-infested Sulu sea in a Filipino kumint.

No pirate boarded the boat—but separatist Moro rebels did. Mr Young's considerable coolness, coupled with pictures from his Polaroid camera, helped to defuse the situation, and the boat was left in peace.

As a correspondent with the Observer newspaper, Mr Young had already been to many of the places on his voyage, and he uses a flashback technique to illustrate his journey. Unfortunately, his memories centre on the world's troubles.

A depressing picture emerges, and clouds Mr Young's undoubted achievement in overcoming discomfort and danger to make the trip at all.

A few photographs of the boats and some of the cheerful characters who sail them would have helped. Instead, there are sketches by Salim which seem curiously irrelevant.



The Washers—one of Kate Mellor's illustrations for the book reviewed below

## Children's fiction

## Wizard country

BY VALERY MCCONNELL

Rosanna and the Wizard Robot  
by Rachel Billington. Methuen, £4.95, 175 pages.

Energetic, bright and pretty—Rosanna is bored. Her mother is heavily pregnant, her little sister too little, her brother busy with his mechanical toys. So she sits disconsolately in the garden and hey presto, or in the magic words of this book, "kinchit-rehshir," an adventure happens. Her doll comes to life and takes her to visit the fairy queen who sends her out on a desperate quest with the wizard robot to save her cousin Kitty from the terrible Washers who try to scrub people to death.

This is of course, not dissimilar from the White Rabbit motif in *Alice in Wonderland* and

the story has much the same quality of fantasy mixed with verbal humour. However, its language is firmly rooted in the 1980s and its magic depends as much on technology as it does on wizardry. The characters are sharply drawn with their own quirky personalities and bear intriguing resemblances to people from Rosanna's everyday life. The story moves along at a brisk pace and the chapters end on suitably cliff-hanging notes—good stuff, I would think, for bedtime reading.

This is Rachel Billington's first children's book. Her own children are aged ten and under and this book should suit children of the same age. It is a charming mixture of escapism, danger and fun that should be happily received in any Christmas stocking.

## Penman's saga

BY ANTHONY CURTIS

As I Walked Down New  
Grub Street: Memories of a  
Writing Life  
by Walter Allen. Heinemann, £8.95, 277 pages

"After I graduated," writes Walter Allen, referring to his career at Birmingham University in the early 1930s as a student of English literature, "I set up shop as a writer. In retrospect, I am astonished at my recklessness... I don't think it could be done today, and for all it was hazardous enough in the nineteen-thirties, I do not now see what else I could have done." He survived; no, more than that, he succeeded with distinction, unlike many of the characters in Gissing's salutary novel from which Mr Allen takes part of the title of these memoirs, crossed with an echo from the ebullient Oliver St. John Gogarty.

Mr Allen has lived by his literary wit and his typewriter for the past 50 years. Let us all stand in awe of silence. I include in the tally various spells as a visiting lecturer, well described here, at liberal arts colleges in the United States, and a stint of literary editing on Kingsley Martin's *New Statesman*.

In the course of that time Mr Allen published half a dozen novels and one or two biographies, but he is perhaps best known today as one of the

very few freelance literary critics and historians of literature whose main work has been done outside a university context. He has written widely and perceptively about the modern period and has ventured where the average don feared, or used to fear, to tread. Earlier this year, for instance, Mr Allen published a comprehensive study of the short story in English which was appreciatively reviewed on this page by Dr Peter Keating (FT May 16 1981).

Some English writers deliberately eschew the company of other literary men, finding it incoherent and stultifying to inspiration. Mr Allen is not of their number. He loves his own kind dearly and has been on terms with a great many writers from Wyndham Lewis and Graham Greene to Julian Maclaren-Ross and John Raymond. The whole book may be seen as a kind of imaginary museum in which all the exhibits are literary men, each one in his glass case beautifully classified and captioned. Those people in the book I had never met or known personally were vividly brought home to me and I found Mr Allen always shed an interesting and generous light on those I had come across myself. I think, though, it was Edmund Spenser and not Maclaren-Ross who said in the questionnaire in the 1940s that a writer needed £3,000 a year on which to live.

## Holocaust era

BY ZARA STEINER

Auschwitz and the Allies  
by Martin Gilbert. Michael Joseph/Rainbird, £12.00, 368 pages

Despite the continuing interest in the Nazi period, Holocaust studies are surprisingly few. As time passes and the length of the world's atrocity lists lengthen, it appears to be only the kindness of the victims who deal with these events or the occasional "revisionist" detractors, who minimise or trivialise what happened. European Jewry, without books on this subject, the record as well as the people can vanish from historical memory. Martin Gilbert in this volume, centres on the Allied reaction to Hitler's Final Solution as the news became known and confirmed in foreign capitals.

The book deals primarily with the British response though repeatedly underlines how far equal American passivity and Soviet hostility precluded all but verbal protests. There were, non-Jew as well as Jew, who, having taken the measure of the horror did their best to prod reluctant governments. Mr Gilbert insists that Winston Churchill, unlike some of his colleagues, understood the enormity of the disaster though he does not explain in these pages why, despite knowledge and sympathy, Churchill did so little.

In dealing with these events, Martin Gilbert traverses some of the same ground covered by Bernard Wasserstein in *Britain and the Jews of Europe, 1939-1945*. He has, however, made Auschwitz the centre of his story because of the enormity of the crimes committed there and because information about its true purpose did not become known until the summer of 1944, two years after the Allies learned of the killings elsewhere. The Nazis successfully concealed the fact that the massive deportations begun in 1942 were destined for Auschwitz which was both a

forced labour camp and a death camp on a massive scale.

Information in F. H. Hinsley's *British Intelligence in the Second World War*, vol. 2, suggests that more may have been known than Martin Gilbert assumes. The German cyphers recording the daily return of prisoners at the concentration camps were being read from the spring of 1942 until February 1943. Though there were no references in the Auschwitz decrypts to gassings, "departures by any means" i.e. deaths, were attributed mainly to illness but also to shootings and hangings. But the German deception apparently worked and it was not until two separate pairs of escapes reached Slovakia in the early summer of 1944 that the facts about Auschwitz were fully revealed. It was just at this time that the Germans had begun to implement their plans for deporting the Hungarian Jews to the Auschwitz camps.

These revelations were a terrible blow to the Jewish organisations which had been desperately trying with only limited success to save those few Jews who had escaped the spreading German net. Martin Gilbert, in tracing the various stages in the development of British policy, uses the official archives to show why so few of these proposals won support. In 1944, it was, as Martin Gilbert insists, not German policy but Allied "scepticism and disbelief, political considerations and even prejudice, that served to inhibit action." Though it mattered little for those concerned, it is the tone rather than the inaction which is often most chilling. Minutes of harried officials do not tell the whole story; presumably these men were admirable human beings and good civil servants. But the lack of imagination and human compassion requires further explanation. Martin Gilbert's widely and meticulously researched book will continue to serve as a reminder of an all too easily overlooked page in our histories.

## Making it click

BY WILLIAM PACKER

The lush and glossy Art Book is long and well established among the perennial impediments of Christmas, as pretty a parcel as any and no need to wrap it further; but the Art Book as Practical Instruction Manual is even so, I suspect, a comparatively recent variant, marking as it does the advance to respectability of Do-It-Yourself to Join Improve-Your-Mind and Show-Off-Your-Taste. Jeffery Camp's manual, however, *Draw—How to Master the Art* (Andre Deutsch, £10.95, 256 pages), would most certainly have stood out, admirably and covetably, in any time.

A distinguished artist himself, his book is quite literally all his own work; for, preaching the virtue and efficacy of copying from the masters of all periods, he reproduces nothing directly but copies everything he needs from them to make his point. And what might seem in print to be an exercise in colossal hubris proves in practice to be transparently honest and humble, and extremely effective. Camp takes us gently through his business, demonstrating clearly and thoroughly as he goes, taking all manner of subject matter and technical nicety in their turn, informing everything with his own experience and creative insight. He has given us a lovely book.

Photography of course immediately proposes itself for a similar treatment, and David Bailey has duly obliged with his *Book of Photography—How to take better Pictures* (Dent £14.95, 212 pages). It too takes its subject step by step, moving naturally from first principles to eventual sophistication; and if George Hughes's captions sometimes over-ride his reader's response a shade, or massage his colleague's reputation just a little, his main text is admirably clear, practical and to the point.

The pictures are all Bailey's own, and very handsome they are, entirely professional in their demonstration of the text and yet quite as personal. Bailey has his limitations, as which artist has not, but his book is all the better for the coherency that goes with a single eye behind the shutter. Eisenstadt's *Guide to Photography* (Penguin, £3.95, 176 pages) is similarly straightforward but more modest an exercise, with short articles introducing each section, and for the rest the captions supplying what text there is. They make up in fact a kind of monologue from Alfred Eisenstadt to the reader, a rambling, anecdotal, sometimes technical and always helpful commentary upon his career as a photographer, and his own most distinguished work.

# HARRAP'S

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- Baratin publicitaire?
- Asile fiscal?
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## HOW TO SPEND IT

by Lucia van der Post

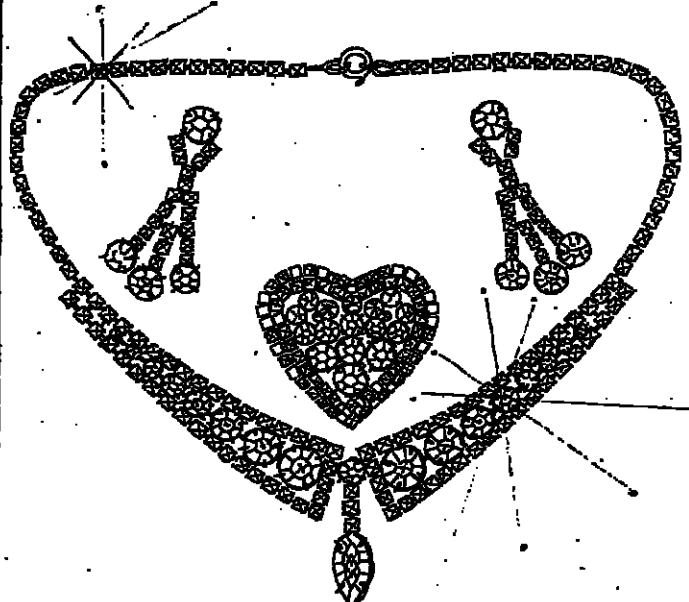


ABOVE Betty van Gelder, who owns and runs Zazzar shops at 30 Heath Street, London NW3 and 11, Blenheim Crescent, London W11, has a marvellous collection of necklaces and waistcoats all made from antique hand-embroidered silk. The colours are beautiful, varying from the brilliant pink that Diana Vreeland of Vogue described as "the navy blue of India" to bright yellow, reds, dark greens and blacks. Each is unique and each price is, therefore, different. They start at £125, the one in the picture is also £125, and go on up to about £300. They are all one size.

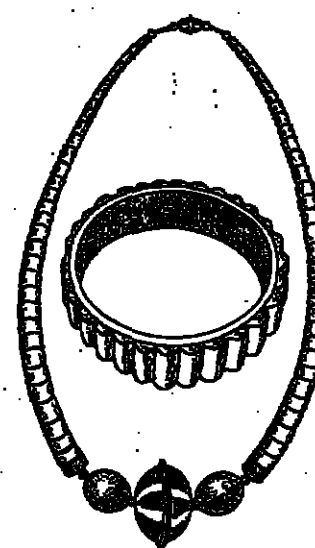
## Only 5 more days to go

ALL those wise and sensible people who did their Christmas shopping back in October and who are now sitting back relaxed and carefree will not find a great deal on the page to amuse them this week. They can, if they feel time weighing heavily on their hands, broach some of

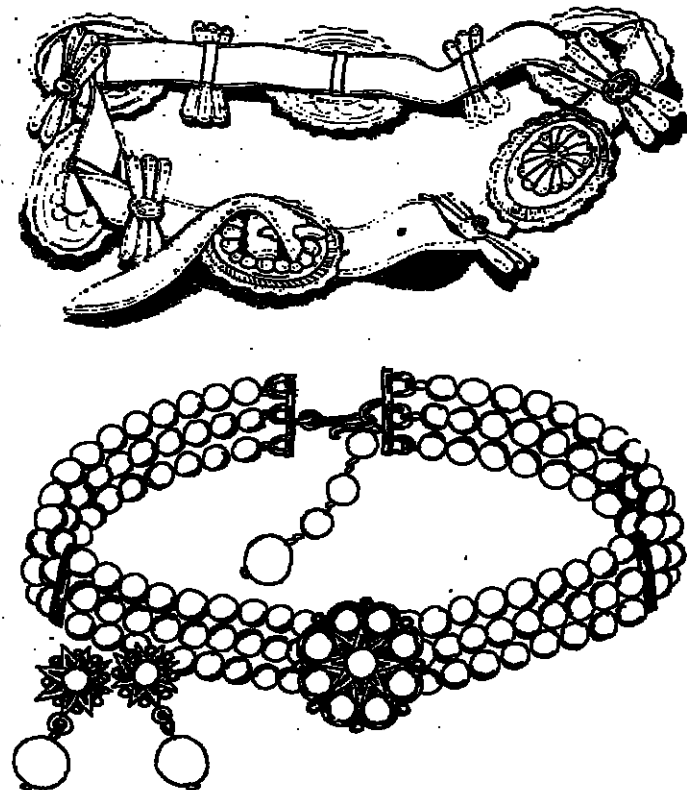
Julie Hamilton's ideas for making your own cooked Christmas presents. Otherwise the page this week is for all those who, like most of us, find themselves doing too much, too late and who are still searching vainly for the perfect present for the last name on their list.



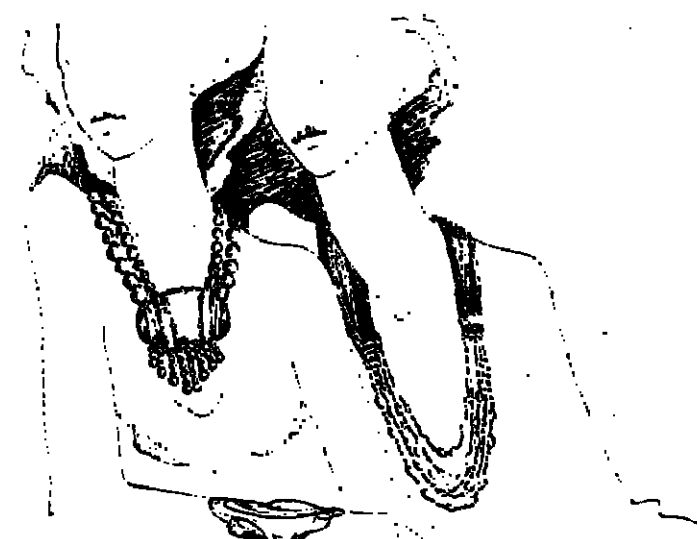
ABOVE The great jewellery themes this year are pearls (a la Princess of Wales), glitter (and if it's fake, the more obviously fake the better, never try to pass it off for real) and ethnic (preferably Navajo). Corocraft hasn't come to the rescue with some inexpensive Navajo designs yet but they have provided almost everything else in this Christmas's crop. Sketched here is some very sparkling glitter which would perk up all those sombre black suits around. The paste necklace is £9.95, the heart-shaped brooch £7.95 and the earrings, also paste, £5.95. Buy them from good stores, most of which stock Corocraft.



LEFT Michaela Frey of 41 South Molton Street, London W1 first became well-known for selling traditional



exquisite Austrian enamel jewellery. Now, however, she also sells a very up-to-date, ever-changing selection of high-fashion jewellery. At the moment she has a very good collection of the rather ethnic-looking turquoise and brass jewellery. Bangles start at about £3 (marvellous for young girls) but the one in the picture is £7 (p + p 50p) —made from a combination of brass and a dried resin which looks exceedingly like turquoise (if it were the real thing it would be a great deal more expensive). The necklace is made from similar materials and is £6.50 (p + p 50p).



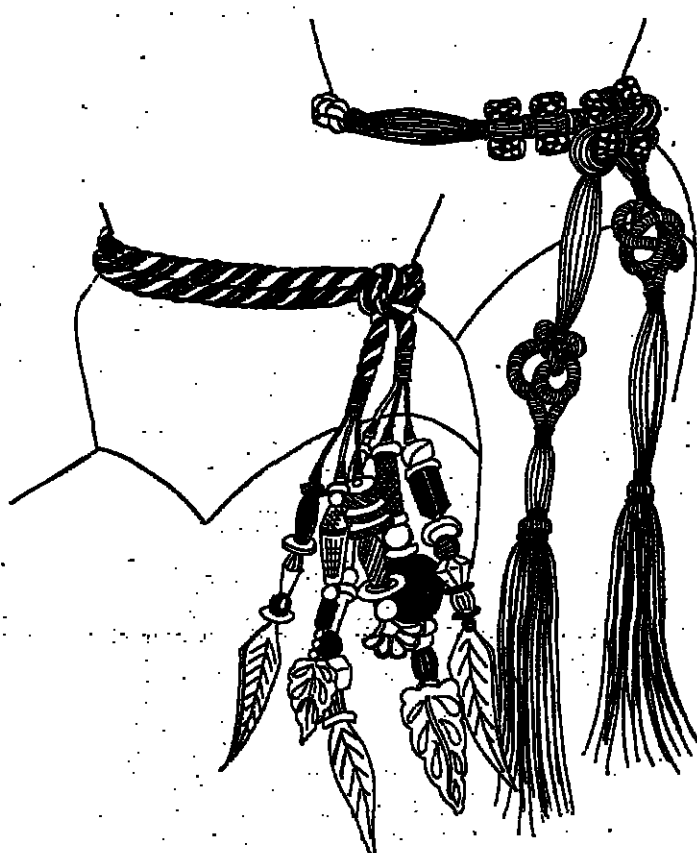
LEFT The Navajo belt is the accessory of the year. Genuine ones cost anything from about £100 if modern and up to £1,500 if antique. The best copies live come across are at Browns of 27 South Molton Street and 66 Sloane Street, London SW1. The leather, silver plate and mock turquoise belt here is about £60.

ABOVE Eileen Coyne uses antique beads (jade, corneal, amber turquoise, maricite, coral) and silver to make highly original, distinctive jewellery. Sketched left, starting with antique turquoise beads (£250) and right, black leather with coconut and corneal beads, £225. Exclusively at Liberty of Regent Street or to order from the designer (tel. 01-402 3276).



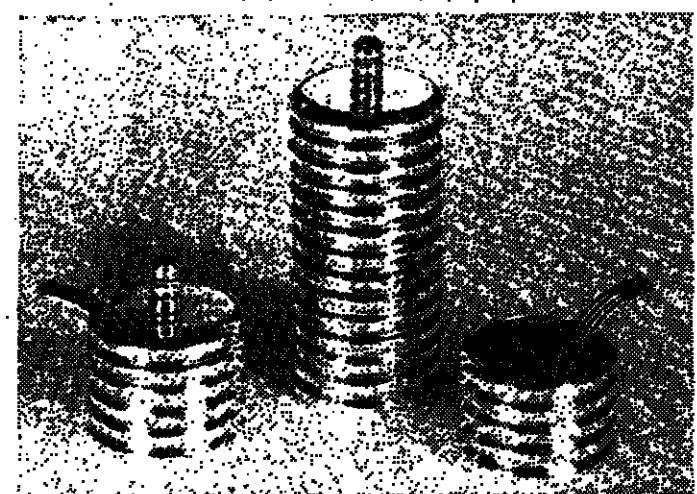
ABOVE M. Manguette is a small shop at 5a Kensington Church Walk, London W8, which specialises in a very French collection of jewellery and accessories. The designs vary from highly original pieces of jade, ebony, ivory (all from authorised culled

sources), amber and precious stones to a glittery collection of evening jewellery just right for this season's "gold" look. Sketched here is a stunning necklace made from glass beads in gold, black and bronze, £27.95. The earrings shown with it are in black glass and are £4.95 the pair.

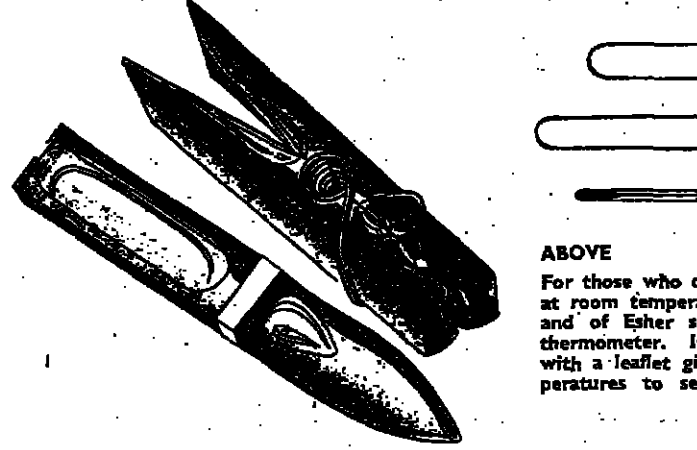


LEFT Also from Betty van Gelder at Zazzar (see addresses as above) are these highly ornamental belts. The belt, far left, is from India—in black or red, it is more like a piece of jewellery than a traditional belt. £18.50. Near left is a green tassel belt, also in other colours. £2.50

BELOW LEFT If somebody close to you is looking for a really fine salt, pepper and mustard set and you have had a windfall this year, then Anne Ellis designs and makes the most elegant sets I know. In hallmarked sterling silver, the pepper mill is 3½ in high, the salt pot is just under 1½ in high, the mustard pot and its lid are just over 1½ in high. Salt and mustard pots have the traditional blue glass liners and come with tiny spoons. The set is £4.50 and is available only from Anne Ellis, 54 Sheldon Avenue, London N6 (tel: 01-340 0544).



Drawings by  
Celia Baker,  
Paul Desmond,  
Anne Morrow and  
Jan Wheeler



ABOVE A wonderfully elegant desk-set—in smoky acrylic the giant paper clip and the envelope opener come in a package together. £3.40 (p + p 65p) from Peter Knight of Beaconsfield and of Esher.

RIGHT A charming earthenware butter mould that is also a butter dish. You



ABOVE For those who dislike vague instructions like "serve at room temperature" Peter Knight of Beaconsfield and of Esher sells the scientific answer—a wine thermometer. It has a creamy plastic case, comes with a leaflet giving full instructions on what temperatures to serve which wines and costs £5.35 (p + p 50p).

## Presents good enough to eat

BY JULIE HAMILTON

ANYONE WHO reads this column regularly will know by now that I am a traditionalist. I really come into my own at Christmas time.

Each year we do exactly the same things at precisely the same time and usually involve the same people. We more or less eat the same food too.

This year, however, will be different. I am not cooking at all. We are spending Christmas with my parents. This means that I have time on my hands to cook some Christmas presents. If you are in my fortunate position, you may like some ideas about what cooked gifts to bear to your friends.

Gravid tax — dill-pickled salmon — is a handsome present. I have given the recipe before (May 24, 1980) but then I suggested only a salmon tailpiece. For Christmas buy a whole salmon and multiply the ingredients accordingly. What a present!

A ham, beautifully cooked and decorated, would be a tremendous contribution if you were staying for a few days.

On November 8 1980 I gave the method of cooking ham in a flour paste. I still favour this method. Reduce the cooking time by 25 minutes, then, when cool enough to handle, remove the casing and skin and spread with a mixture of honey and lemon over the fat, score it into squares and place a clove in each square. Return it to the oven and brown it and you have a very tasty and presentable looking ham.

Tongue is another possible gift. People tend to shy away from cooking it but it is really so simple and quite rewarding to see the end product looking so professional.

Buy a tongue that has already been salted as there is not enough time to cure your own now. Soak it in cold water overnight, drain it, put it in a pan of cold water, bring to the boil and drain again. Put it back in the pan and cover it with 50-50 of water and cider, add some black peppercorns, a few juniper berries, one onion sliced and a sprig of thyme, bring to the boil, cover tightly and simmer for about 2½ hours.

Remove the cooked tongue from the liquid and plunge into cold water to cool it enough to handle, then peel the skin off, starting at the tip. Trim any bones and gristle from the root end. Curl up the tongue and press it into a tin just the right size (7 ins cake tin probably). Pour over some of the strained stock it was cooked in and put a board on the top, well weighted to press it. Leave to set. Chill and turn out.

## PORK AND PHEASANT TERRINE

A terrine, especially if it is presented in a beautiful dish, is another idea. This French recipe will make 20 portions and improves upon being kept.

1 very well hung pheasant, 2 lb belly of pork, minced; 2 lb pie veal, minced; 1 lb bacon fat; 1 pint dry white wine; 1 tablespoon salt; 12 juniper berries; 12 peppercorns; 1 teaspoon nutmeg, 2 or 3 cloves of garlic; 2 or 3 tablespoons stock (made by simmering the pheasant carcass in a little wine and water well seasoned).

You will need a three-pint terrine. Lightly roast the pheasant. Mix together the veal and pork. Strip all the meat off the pheasant and cut it up fairly small. Combine it with the pork and veal. Cube 50z of

the bacon fat and add it. Chop the garlic and combine it with fresh smoked cod's roes, not in tins or jars. Soak the lung of cod's roes in cold water for half an hour, then peel off the skin and mash it. Crush some garlic and put it with the roe in a blender or food processor with the juice of at least two lemons. Now start adding the olive oil very slowly; you will need loads of oil. When the mixture is really so thick that it forms great lumps, rather blanchmange-like, round the bowl you have added enough oil. Continue processing while adding sufficient boiling water to produce a mousse-like texture. Add a little chopped parsley if liked.

Another suggestion is to fill one of those tall glass pasta jars with home-made tagliatelli (see FT January 24 1981 for basic pasta recipe) which you have hung over a broom handle until completely dry, so that it will keep for ages. Add to this gift the following recipe which makes a superb starter or a rather extravagant supper dish. Chop some smoked salmon into small pieces, combine it with very thick cream and

warm it. Add plenty of pepper. Mix in the cooked and buttered tagliatelli and serve at once.

## BAKLAVAS

If you'd prefer to give something sweet and you have a really good delicatessen near you, you will be able to buy filo pastry (which is the same as strudel pastry). With it you can make Greek baklavas which keep well, indeed are best of all at least two days after being made.

8 oz unsalted butter; 8 oz sugar; 1 lb chopped walnuts; 3 fl oz water; plenty of ground cinnamon; 1 lb filo pastry.

For the syrup: 8 oz sugar; 8 oz honey; juice of one large lemon.

Melt half the butter and add the water, sugar and walnuts. Mix well. Thoroughly butter a baking tin. Melt the rest of the butter. Line the tin with three sheets of filo pastry, well brushed all over with melted butter. Spread a thin layer of the filling over and sprinkle generously with cinnamon, cover with two sheets of pastry, again well buttered.

Repeat the process, ending with the last layer of nuts being covered with three or four sheets of pastry. Brush the top liberally with butter and score into diamond shapes (I find a razor blade best for this). Bake at gas mark 4 (350°F) until golden brown and crisp. Combine the syrup ingredients and boil for a minute or two, pour over the cooked baklavas while still hot. Leave to cool before cutting into individual pieces for serving.

A word in your ear, husbands! Should you still be wondering what to buy your wife for Christmas I would offer these suggestions.

Does your wife have a food processor? If not, you can be sure that once she has used one she will wonder how she ever managed without it. I have tried out several and can now state with confidence that it is an item well worth not economising on. The Magimix Grande Famille is worth every pound more than the other Magimix. It really is the Rolls-Royce of food processors and I would hate to be without mine. It will cost you £109 plus a little more if you get extra cutting discs.

On quite a different level, I have found a very useful item, a holder made from clear perspex which protects your cookery books from the inevitable splashes and greasy finger-marks while keeping it open at the right reading angle. It costs £3.95 from General Trading Company, 44 Sloane Street, London SW1.

Then at Richard Dare I saw something I would love my husband to buy for me. Hand painted Breton pottery breakfast and dinner service. Produced by Quimper, a firm which goes back to the 15th century, there are five designs readily available in this country, imported only by Richard Dare. Collect it piece by piece or splash out and buy a whole dinner service of six plates with various dishes for about £250. Dinner plates range from £7.50 to £10 each. There are also matching candlesticks at £12.50. Richard Dare is at 93 Regent's Park Road, London NW1.

A breakfast set for four including plates, cups, coffee pot, cream jug, sugar bowl and butter dish would cost about £75.

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STILL STUCK? What about a decorative basket filled with plants all of which have a self-watering system to keep them flourishing through all those times when nobody remembers to water them. You do occasionally have to refill the self-watering systems but the plants in the trough will stay green, flowering and wholesome for somewhere between three and four weeks. Three plants in trough are £6 and £7.10 (which includes p + p) depending upon the plants.

Contact Nutrient Film Cultures, 45 Walsgrave Park, Twickenham, TW1 4TP (Tel 01-892 3892).



## ARTS

## Evil and good

BY B. A. YOUNG

In his *Letter from New York* on Radio 3 on Thursday, Denis Donoghue recounted the business of Jack Henry Abbot. When Norman Mailer was writing a book about a prisoner, Abbot deluged him with letters about violence in gaol. Norman Mailer is a writer with a soft spot for violence, and he found these letters so good that he not only arranged for their publication (the book is called "In the Belly of the Beast") but he urged Abbot's release. The book got splendid reviews from critics who found, like Mailer, that Abbot was "a new writer of the largest stature". Abbot was released, and almost at once he killed a waiter who told him that the toilets in his restaurant were for the use of the staff only.

Moreover, Abbot's book seems hardly to have been as good as Mailer believed. People less involved with the radical chic that is automatically ranged against discipline thought that his politics were purer, if it had nothing of interest in say about the law; there was no trace of moral thought, or of remorse for the killing that had first landed Abbot in gaol.

Denis Donoghue's talk was not just a critical attack on Norman Mailer; it raised the larger subject of why evil should be so much more fascinating than good. As it happened, the question had come up earlier in the week in P. J. Kavanagh's contribution to the series (Radio 3 again) on *Images of Heaven and Hell*. Mr Kavanagh is a neighbour of mine, and to own his house, a converted barn, would be a strong item in my image of Heaven; but he was concerned with more spiritual things, and he too wondered why it should be that we are attracted to pain rather than pleasure. And he too quoted an American novelist, but in different sense. It is a mistake, Saul Bellow said, to confront horrors so that we may learn to understand them.

There was a time when cartoonists could put horrors into their drawings to influence our beliefs, but no longer. Apart from anything else, there isn't a newspaper cartoonist working today who can draw a recognisable portrait of a public figure.

apart from our own Mahood and Cummings of the Daily Express. Six practitioners were assembled for this week's *Medium and Message*, but though we could learn something about the medium, we learnt little about the message.

Two of the half-dozen, Frank Dickens and Michael Folkes, are unpolitical, and strictly speaking not cartoonists at all but illustrators. "Strictly speaking", well, cartoons, in the present improper use of the word, derive from the political drawings in Punch in 1843 mocking the cartoons, in the proper sense of the word, for the decoration of the new Houses of Parliament. "Cartoon", says R. G. G. Price in his *History of Punch*, "has ever since been used for pictorial humour, or satire, on political subjects". Jack of the Evening Standard confessed that he was "interested in everything but in a very shallow manner". Nicholas Garland of the Daily Telegraph thought that "a political cartoon is a pictorial representation of an established idea, it's not aiming anything at anything," which must have sent Hogarth, Rowlandson and Gillray spinning in their graves like RB21s.

Russell Davies had no views to express, contenting himself with interviewing his six subjects. It was a pity, I thought, that no one spoke up for the message, as we used to in the work of Gross or Low. P. J. Kavanagh has a kind of message, and Michael Heath (who claimed to have as many as five deadlines a day sometimes) but their messages are only mockery of society. Perhaps this is all that society needs. But what society needs is a new Gillray, with the anger of Leslie Lillingworth and an editor willing to provide a daily four or five inches across three columns. (Yes, yes, I know.)

How splendid *Tom Jones* is on Sunday nights on Radio 4! Hallam Tennyson's adaptation is exceptionally economical, skipping from one situation to the next with no dividing sound or music save when it is needed for emotional purposes. Anton Lesser as Tom, Clifford Rose and Peter Jeffrey as Squires Allworthy and Western, Helen Worth as Molly and the rest are magical; and so is Martin Jenkins's direction.

## FT critics pick the plums from the seasonal shows

## All you want for Christmas

## Aladdin

Traditional pantomime has always flourished in genteel Richmond and there is nothing in this year's spanking new production of *Aladdin* to break the mould. This is the compromise pantomime that we have come to know and appreciate in the last decade—TV stars but respect for the plot; slapstick for the kids but a hint of innuendo for the adults; many well loved routines, but a sprinkling of contemporary references to TV commercials and Tony Benn.

If anything *Aladdin* is over-egged with talent. There is little need to conjure an air of mystery and magic when you have Les Dawson appearing at regular intervals with another crop of dead pan jests, or Rula Lenska, with legs as long as lamp-posts (but much nicer), and a voice that sounds as if it's been soaked in brandy butter. This Widow Twankey and Aladdin must be the prize pairing of the season.

The sets and costumes glow with newness and, although the babes and choruses looked tense at an early performance, if there was ever a pantomime to satisfy the whole family from granny to baby this is it. Granny even has a short turn, by Arthur Askey near the end to identify with, while the babes were kept by Bernard Bresslaw's imposing Abanazer and the Simmons Brothers as a much funnier than usual Chinese police force. All in all a fast moving *Aladdin* with few longwinded and money well spent but by management and audience.

ANTHONY THORNCROFT

## Humpty Dumpty

It is Egg Fair Day in the borough of Camden. The Shaw Theatre's annual seasonal folly opens on a merry, twopenny-coloured setting of King Cole's castle. The King has got and then loses his crown, which disaster has something to do with the arrival of Fairy Blackheart, a splendidly green-faced crone (rather like the wicked witch in *The Wizard of Oz*) played by Jan Waters. The King's daughter, is courted by another of those wretched singing troubadours, Clive, and Humpty is hatched when the large egg is toppled from the castle wall.

The show (book and lyrics by Chris Emmett, music by Graham Ripley) is on the long

side and quite frightening. This is thanks mainly to Jan Waters, but there is also a haunted castle and a dance routine for a chorus line of skeletons. I was enjoying myself immensely, but it all proved too much for my two four-year-old colleagues, and we beat a hasty retreat after one hour. There were 90 minutes still to go.

MICHAEL COVENEY

## Robin Hood

The pantomimes at the Players, underneath Charing Cross arches, are the pantomimes for grown-ups, for people who can recognise a literary allusion in the text and a musical allusion in the songs. The text of *Robin Hood* is by F. C. Burnand, but it has been massively overhauled by Denis Martin, who is responsible for choosing the music. You can recognise Burnand by the bad lines and Mr Martin by the good ones. Like "We've lived the castle moat to form a picket."

The music is, as usual, borrowed from the more popular operas, if possible from operas fresh in the public mind. (We have "Mon coeur s'ouvre à ta voix" from *Samson et Delilah* for example.) It is all sung, shouted, or chanted through microphones—and well sung too. There are no fewer than six sets, the work of Reginald Woolley.

Angela Easterling's Robin is a principal boy to the last inch of her thighs, and happily matched by Zoe Bright's Marian. The Sheriff of Nottingham, played by David Blighstone, appears to end up as a good fellow, but is reserved for Anthony Batten's Gilbert de Montalmon. All the supporting parts are done as brightly as they always are. This is a very keen recommendation.

B. A. YOUNG

## Jack &amp; The Beanstalk

Jack and the Beanstalk at Bromley is certainly a proper Pantomime. The Churchill



Maureen Lipman as the Witch in Humpty Dumpty at the Shaw Theatre

Theatre is rather a modern barn of a place, the necessary intimate conspiracy with the audience not that easy to establish, and of course, things are not yet entirely right with the production—the band over-energised and at times a barrier rather than a bridge between the company and its guests, some of the comic business as yet a shade uncertain, the mechanics of it all just a bit accident-prone.

But then it would not be pantomime if just now and then a cloth did not go up before its cue, or the beanstalk did not get caught in the borders, calling up all Jack's powers of improvisation in the process. Janet Mahoney is indeed an Idle Jack in the great tradition of Principal Boys, full of life and fun and with the handsomeness legs in Bromley, and she is backed up to admiration by the small and enthusiastic company, in which even the children are far from being the usual pain.

Lionel Haft is a most engaging Simon, and Paul Kidd together make Daisy as good a Pantomime Cow as I have seen, splendidly agile and sentimental, and Reg Dixon's

Dame Trot is all she should be, his sly confidence wonderfully funny once it gets across.

WILLIAM PACKER

## Sinbad

Conventional panto high-jinks coated in extravagant orientalism produce a surprisingly coherent entertainment at the Theatre Royal, Stratford, E15 and there's nothing like a dame for diluting the syrup. This one is a treat, Trevor T. Smith as auburn-haired Fatima, lured to the East with male promises and soon disillusioned. She discovers her vocation as an air-pump-factotum to the lovely Yasmim, daughter of the Caliph of Baghdad. Little Yasmim may be pert as a Knightsbridge groupie, but she

has never seen a man. So when Sinbad sneaks into the boudoir for a peek at the famous beauty, it is love at first sight.

A trail of adventures ensues—shipwreck, monster birds, a man-eating giant, pirates and, worst of all, the terrible green witch Atrocita, a dab hand with spells and hungry for human flesh. Toni Palmer prances through the role with leggy elegance. Like everyone else in the show, she is a delight to the eyes. Other attractions are David Yip as the faithful Al and a gorgeous arabesque design of onion domes and crenellations. Children will love it and the cast play to the audience with a nice feel for a wide age range.

ROSALIND CARNE

## Dexter returns to Chichester

Director John Dexter returns for the 1982 Festival to direct Sandy Wilson's *Valmouth*, the second of the 1982 Festival productions.

Until now, Sandy Wilson has firmly resisted all offers to revive his musical play. The original stars, "One Mo' Time" Bertie Reading, for whom Sandy Wilson wrote *Valmouth*,

and Fenella Fielding, who made her name in the show, will appear in their original parts as Mrs Yaj and Lady Parvula de Panzoust.

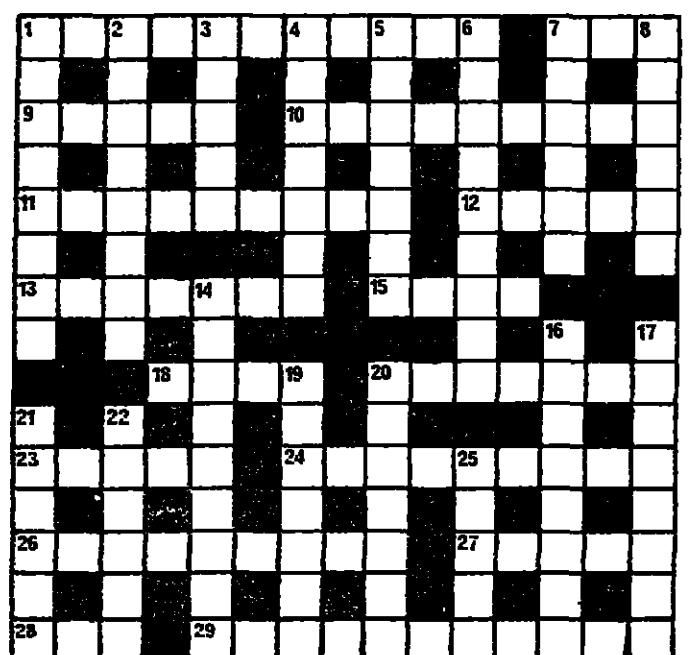
John Dexter, director of productions at the Metropolitan Opera, New York is remembered by Chichester audiences for his highly acclaimed "Uncle Vanya," Black Comedy and *Royal Hunt of the Sun*.

RODNEY MILNES

## F.T. CROSSWORD PUZZLE No. 4754

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4DY. Winners and solution will be given next Saturday.

Name \_\_\_\_\_  
Address \_\_\_\_\_



- ACROSS**
- 1 Earliest forms of rock (5)
  - 2 Doctor's bag (3)
  - 3 Dunes best settled after first of December (5)
  - 4 Stop for the speaker, bursting out violently (9)
  - 5 Turned up like (tailored) English trousers (8)
  - 6 Part of the churchman's estate (5)
  - 7 More ideal state-of (7)
  - 8 Author of "What to drink in Japan" (4)
  - 9 Tom's look both ways (4)
  - 10 Loose RL action, dropping the ball—end of play (7)
  - 11 Unh! Try batting with extra padding tied initially (10)
  - 12 Big bred, possibly, to right direction (8)
  - 13 It is used in making navy-cut (4-5)
  - 14 Singer of the first part (5)
  - 15 Country girl has to slow down in retirement (3)
  - 16 Like Hannibal's journey (developing N. Spain later) (11)
- DOWN**
- 1 Rosie's drink? (3-3)
  - 2 End of circuit one gets on (8)
  - 3 Lady-love thrown over out west? (5)
  - 4 Capital cover of 45-46 litres nowadays? (7)
  - 5 Last city to see on Sunday—like very old Brussels (7)
  - 6 Worker at last makes rake's home derelict (9)
  - 7 Pub in blue not very substantial (8)
  - 8 Used head of chisel with turning-bar—ingenious! (8)
  - 9 Constables' collage? (9)
  - 10 Violinist, composer and heathen in one (8)
  - 11 Revers commonly found in pine (4-4)
  - 12 I depart in dénouement of "The Winter's Tale" (7)
  - 13 e.g. cards, shuffled for spicers (7)
  - 14 Kind of dance-sport having jolting movement (3-3)
  - 15 Handy drawer, B, perhaps (6)
  - 16 Unfortunate peer left behind—drive back! (5)

## Solution to Puzzle No. 4753

ACROSS: 1. EARLIEST, 2. ROSIE, 3. LADY, 4. COVER, 5. BRUSSELS, 6. RAKE, 7. PUB, 8. CHISEL, 9. COLLAGE, 10. VIOLIN, 11. REVER, 12. I DEPART, 13. CARDS, 14. DANCE, 15. JOLTING, 16. HANDY, 17. UNFORTUNATE.

## TV/Radio

## BBC 1

- 9.05 am The World of Rugby.  
9.30 Swap Shop. 12.12 pm Weather.
- 12.15 Grandstand, including 1.00 News Summary, Football Focus (12.20), Football League Review: Racing from Ascot (12.45, 1.20); 12.50 The HSS Hire Shop Hurdie Race; 1.25 The SGB Handicap Steeplechase; commentaries, World Cup Skiing (1.05, 1.25) from Bad Kleinkirchheim; The Ladies' Downhill; International Rugby Union (1.55) from Murrayfield, Scotland v Australia; 3.45 Half-time football scores; International Show Jumping (3.55) from the Grand Hall, Olympia; The Radio Rentals Santa Clause Top Score, Commentary: Final Score (4.35), classified check and the pools news.
- 3.10 The Police—Montevideo St. The Police record a new LP on the Caribbean island of Montserrat.
- 3.50 News Weatherman.  
6.05 News: Grayson's Generation Game.
- 7.00 "Warlords of Atlantis"—Feature film (1978) starring Doug McClure and Peter Onorati.
- 8.35 The Two Ronnies starring Ronnie Barker and Ronnie Corbett.
- 9.20 News and Sport: Weatherman.
- 9.35 Match of the Day Special featuring Football League action and International Show Jumping from the Grand Hall, Olympia.
- 11.05 Parkinson: Michael Parkinson with special guests The Bee Gees.
- 12.05 am Fundamental Follies. Highlights from the Apollo Victoria Theatre where a host of stars gathered earlier this year to donate their services to MENCAP.
- 1.20 Weather.
- BBC1 Variations: Cymru/Wales—6.50 am Crackerjack, 6.00 pm Sports News Wales, 1.20 am Weather, Weather for Wales; Scotland—4.55 pm Scoreboard (1), 6.00 Scoreboard (2), 6.35 Sportsman from Scotland; Football Rugby: 1.20 am Weather, Northern Ireland—5.00 pm Scoreboard, 6.00 Northern Ireland News, 1.20 am Weather; News and Weather for Northern Ireland, England—6.00 pm

## Solution and winners of Puzzle No. 4743

Mrs J. E. Wight  
1, Northampton Road,  
Bromham, Bedford.

Mrs P. Hook,  
18, Trevor Road, London, SW19.

Mr H. S. Haigh,  
5, Hill Park Mount,  
Sowerby Bridge, West Yorkshire

## (South-West only) Saturday Spotlight

## BBC 2

- 3.00 Cliff Richard in "The Young Ones" (1981) with Robert Morley, Carole Gray and The Shadows.
- 4.45 Play Away. A festive entertainment starring Brian Cant.
- 5.10 The Sky at Night. "The Star of Bethlehem," with Patrick Moore.
- 5.30 "Rachel and the Stranger" Film (1948) starring William Holden with Loretta Young and Robert Montgomery.
- 7.00 News and Sport: Weather.
- 7.15 Did You See...?
- 7.55 The Royal Opera Presents "Samson et Delilah." Opera in three acts by Camille Saint-Saëns, with Shirley Verelst and Joy Vicki (a simultaneous broadcast with Radio 3).
- 8.45 News Summary: Weather. Special: "Gentle Folk" by Alexander Baron. The last of four plays featuring Denholm Elliott.
- 11.35-1.25 am Midnight Movie: "Breezy" (1973) starring William Holden with Kay Lenz.

## LONDON

- 8.55 am Sesame Street. 9.35 Thunderbirds. 10.20 Tiswas.
- 12.15 pm World of Sport. Introduced by Dick Davies. 12.30 On The Ball presented by Ian St. John. 12.45 World Cup Skiing—from Bad Kleinkirchheim, Austria; and Ice Figure Skating—The World Professional Team Championship from Capital Centre, Landover, Maryland; 1.15 pm News; 1.20 The ITV Six from Doncaster and Town-centre; 3.00 Joe Signor Skating—The World Professional Team Championship from Capital Centre, Landover, Maryland; 3.45 Half-time Soccer. News and Reports; 4.00 Wrestling from Oldham; 4.50 Results.
- 5.05 Met. Micky.
- 5.35 News.
- 5.40 Family Fortunes.
- 6.10 Game for a Laugh presented by Henry Kelly. News. 5.41 Weather News. 11.00 Thriller: Death in Deep Water. 11.45 Sports Report. 12.00 Weather and shipping forecast.
- 7.00 Punctures! starring Leonie Bennett.
- 7.35 "In Like Flint" starring James Coburn and Lee J. Cobb (1967).
- 9.45 News.
- 10.00 Brother to the Ox.
- 11.00 Johnny Carson's Tonight Show.

## DISTRAINED ACTION

ACTION: 1. EARLIEST, 2. ROSIE, 3. LADY, 4. COVER, 5. BRUSSELS, 6. RAKE, 7. PUB, 8. CHISEL, 9. COLLAGE, 10. VIOLIN, 11. REVER, 12. I DEPART, 13. CARDS, 14. DANCE, 15. JOLTING, 16. HANDY, 17. UNFORTUNATE.

## 11.45 Star Parade with James Last

## Last

## 12.35 am It Happened one Christmas

## Indicates programmes in black and white. All IBA Regions as London except at the following times:

## ANGLIA

- 10.00 am Clapperboard. 5.30 pm News. 5.55 Weather. 6.00 News. 6.05 News. 6.10 News. 6.15 News. 6.20 News. 6.25 News. 6.30 News. 6.35 News. 6.40 News. 6.45 News. 6.50 News. 6.55 News. 7.00 News. 7.05 News. 7.10 News. 7.15 News. 7.20 News. 7.25 News. 7.30 News. 7.35 News. 7.40 News. 7.45 News. 7.50 News. 7.55 News. 8.00 News. 8.05 News. 8.10 News. 8.15 News. 8.20 News. 8.25 News. 8.30 News. 8.35 News. 8.40 News. 8.45 News. 8.50 News. 8.55 News. 9.00 News. 9.05 News. 9.10 News. 9.15 News. 9.20 News. 9.25 News. 9.30 News. 9.35 News. 9.40 News. 9.45 News. 9.50 News. 9.55 News. 10.00 News. 10.05 News. 10.10 News. 10.15 News. 10.20 News. 10.25 News. 10.30 News. 10.35 News. 10.40 News. 10.45 News. 10.50 News. 10.55 News. 11.00 News. 11.05 News. 11.10 News. 11.15 News. 11.20 News. 11.25 News. 11.30 News. 11.35 News. 11.40 News. 11.45 News. 11.50 News. 11.55 News. 12.00 News. 12.05 News. 12.10 News. 12.15 News. 12.20 News. 12.25 News. 12.30 News. 12.35 News. 12.40 News. 12.45 News. 12.50 News. 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*150m missing bottles of champagne*

## Tragic Mary's gold





Saturday December 19 1981

## In the bleak midwinter

THIS IS traditionally the season of good cheer, or at worst of silver linings; but it would not be honest to write in such a vein this year. Brutal repression in Poland and economic disaster in the West add up to a grim season—a little worse because these two disasters are not wholly unconnected. The spectacle of bankers openly expressing the hope that a military regime might be more punctual with its debt service is not one which gives the financial community any room for self-satisfaction this year; and the only excuse—that the banks are becoming aware of a potential crisis over sovereign debt—is hardly reassuring.

rate of inflation. This is partly because high rates of interest tend to get built into the growth of debts and deposits until slow and painful adjustments in the real world—the sale of stocks and assets, and the abandonment of credit-financed spending—make it fall possible. Industrial borrowers, like the unhappy Poles, have to borrow the money to pay the interest on their debts; and as debts grow, deposits must be found to back them.

### Impossible

This suggests two conclusions. First, the persistent overshoot in the money supply may not be because the authorities have not been trying hard enough, but because they have been trying too hard to achieve targets which were realistically impossible in the first place. More fundamentally, it suggests that the broader measures of money are not so much an advance warning of inflation as the Government's policy assumes but a rather laggardly measure of financial strain of any kind—including the strain of lending off bankruptcy. In that case it is not a suitable policy target at all—an idea which the Treasury Committee suspects has at last dawned on the Chancellor, who made no mention of targets in his November statement.

Events suggest that we are now on some sort of unofficial exchange rate target; but unless the target is stated, no one can judge the success of the policy. It is this kind of ambiguity which explains why two purportedly pro-business regimes in the U.S. and Britain have had to contend with such persistent disillusion in the financial markets.

Meanwhile the actual inflation figure—the Government's political target—is proving equally unruly. The cause this time is partly the hardness of the winter, but quite largely still the things the Government itself is doing ostensibly to fight inflation—higher mortgage rates and public service charges. The House of Lords may now add unnecessarily high fares to the litany.

Abandoned

In the words of a respected stockbroker last week, we will never be able to judge the experiment in monetarism, because it has been abandoned. This week's figures for credit demand make it clear beyond doubt that the growth of M3 during this financial year will not merely be above the target, but above the target range, as the Chancellor recently suggested, but grossly above it.

The reason for this is not simply that the official target, Sterling M3, is "accident prone," as the Chancellor told the committee, but that over long periods it is systematically misleading. The accident this year was that during the full in commercial borrowing made possible by the civil servants' strike, which delayed the collection of some £50m of tax revenue, the banks mobilised their idle funds for a major assault on the house mortgage market.

As Lloyd's Bank recently pointed out, the growth of still broader measures of liquidity, which include building society deposits and money market bills held outside the banking system, looks much more moderate. Lloyd's suggested that the monetary target should be adjusted to allow for recent structural changes. This will hardly do. If controlling the growth of bank deposits is a central objective of Government policy—which it still is the official position—it cannot be bent to suit the trading convenience of the banks.

However, that is not the end of the story. The broader measures are themselves growing steadily at an annual rate of some 14 per cent, well above both the official target and the

Grim

If there is any hope to be discerned in all this mess, it is simply that such a grim outlook must provoke new policy thinking. The Government's policy is visibly changing, though its new direction is still a mystery. Internationally the debt burden, like the arms race, is now seen as a potential disaster. Popular pressure for radical change, whether from the suppressed unions in Poland, or the new centre in Britain—is now a potent force. At least the old complacencies are dead; and that cool comfort is perhaps the best we can offer for what we hope, nevertheless, will be a refreshing pause in the world's difficult business.

Harmonising

From Mr H. George

Sir—I was pleased to note in your feature on Arthur Scargill (December 10) that one of his reasons for pressing the miners' wage claim is to place them on a par with their European counterparts.

Without much success I have for years been urging managers when framing salary claims to take into account the comparison, in real terms, with their European counterparts.

If Britain's EEC membership means anything at all, it should surely involve a more harmonising something more important than how to kill a chicken.

Michael George  
(Past President, Association of Managerial Electrical Executives),  
133 Abbey Road,  
Westbury-on-Trym, Bristol.

### Hunting

From Mr A Kidd

Sir,—As a life-long countryman and as a farmer it is probably my misfortune that except for fishing and the Common Market, I almost invariably disagree with Mr John Cherrington, whose articles I have read with pleasure, tinged with sadness, for many years. The thing that bothers me is that he always takes the pursuit of maximised profits as apparently the sole driving force behind his entire philosophy. Now since I feel sure that he is not in any danger of falling below the actual breadline, I am at a loss to understand his, as it appears to me, cynically nervous outlook on all aspects of farming.

For instance, one would like to see him devote more attention to some aspects of organic farming, like Mr Wooley of Rushall who is so successful at it, and so on. He could perhaps come clean and admit that, if it is only money

he is after, he could do far better to quit this capital-intensive, low-turnover and very low-yield industry and put all his money into gilt-edged securities, gold, mining, shares, or similar investments, when he would be able to sit at home with no worries or petty irritations, and await his dividends.

The truth is, of course, that life is much more than profits. The friendship and esteem of one's fellows; the joy of walking; better still riding (is it possible that Mr Cherrington cannot ride?) over one's own land; the song of the birds and the wonder of wildlife are all at least as important and valuable, if not more so than the dreary pursuit of the last odd per cent of income.

I have no doubt that Mr Cherrington agrees in his heart with all this. Why then does he sit out on hunting (December 12) although an admitted field sportsman himself? Did some horseman insult him or at least hurt his feelings in the long far-off days? Has he got an inferiority complex about horses and hunting which has not cleared itself with advancing years?

The idea of asking hunts to pay for hunting over one's land is, of course, not new. But it has never caught on. Farmers mostly take a larger view of the hunt as a good thing than that. Of course it is true that we who hunt are enormously and completely indebted to the farmers over whose land we ride. Without this generosity of spirit we could not exist. I know too how very annoying it is when a rail gets broken, a gate is not shut, seeds trodden more than need have been, and so on. Inexorable and damnable aggravating. Masters of Hunts spend more time attending to these ever-present and deplorable matters than most laymen would believe. And in cases of material damage which can honestly be assessed in pounds and pence the masters may very rightly and properly put in a claim to the hunt and he will be paid.

IF EVER there was a year to "sell in May and go away," this was it.

The FT-Actuaries All-Share and the Industrial Ordinary rose to new peaks in the spring but then slumped badly in October, finishing the year only 5 per cent ahead. In 1980, the All-Share rose 20 per cent against the industrial background of deepening recession and a rash of dividend cuts.

Investors have been struggling to pick the sectors and companies likely to benefit first from any economic recovery, but recovery has been elusive. Meanwhile, the gyrations of interest rates and currencies and a flood of new issues have left the market on edge for most of the year.

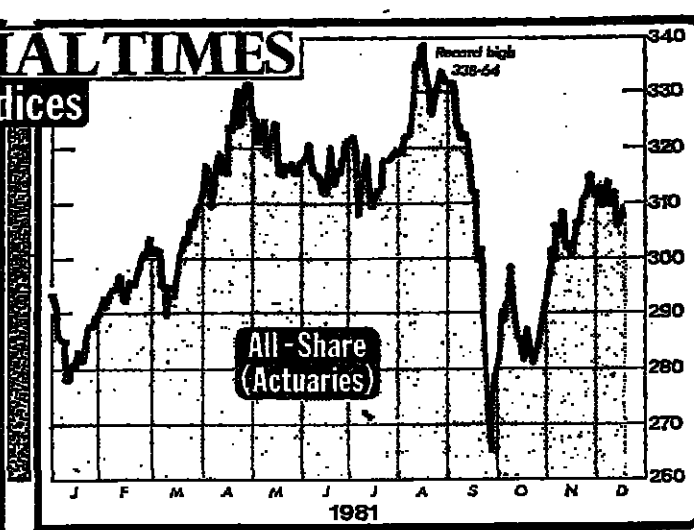
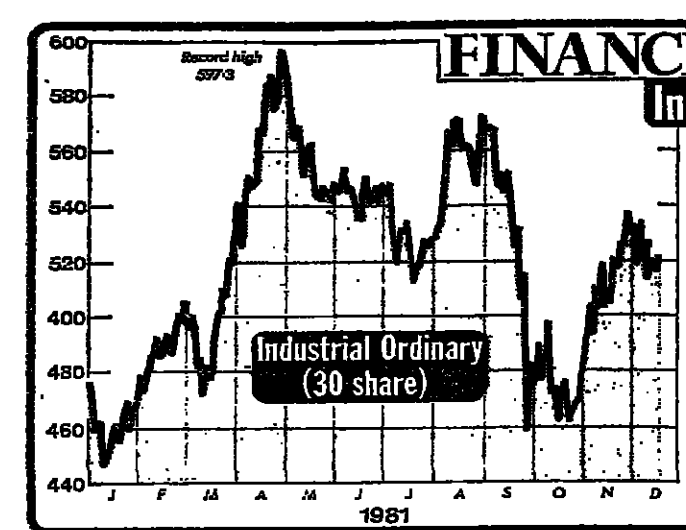
Of course, anyone who did go away in May would have missed the fun of the August rally—the All-Share hit another peak, there were Cable Wireless and Exco offers for sale and the £824m BP rights issue.

This has been a record year for raising new money in the UK. More than £1.5bn in rights issues have been put on the market, well above the former record of £1.2bn in 1975. Another £750m or so has been raised through offers for sale and placings, with many of the smaller ones coming on the Stock Exchange's new Unlisted Securities Market (USM).

Fears early in the year that the recession would cause lower institutional cash flows and that fund managers would take advantage of the removal of exchange controls to divert much more of their money into foreign markets have proven unfounded. Brokers Phillips and Drew estimate that insurance company and pension fund cash flows are up about a tenth to some £12.5bn. While the amount channelled overseas may have risen from roughly £1.9bn to £2.3bn, the portion put into UK equities has increased from £2.5bn to something like £3bn.

This is no small achievement, considering that the Bank of England was again pouring out a steady flow of gilts and for most of the year yields on long-term government stocks were over 14 per cent.

A year ago, the lists of leading and lagging shares were relatively straightforward. Speculative oil and financial shares dominated the winners' list, benefiting from rising world oil prices and hopes of falling interest rates, while some of the losers were in British industry, GKN, Turner and



Newall, Chloride and Associated Engineering, huddled at the bottom, battered by the recession.

This year's tables are less easy to read. The oils have taken a beating, but after two years at the top of the list, they were widely expected to decline, and the softening of world oil prices has undoubtedly taken away some of the speculative excitement.

Even more than usual, takeover bids or speculation about possible bids have catapulted many share prices, notably those of Bercel, Tunnel, Amal

companies, has produced an annual compound growth rate of 341 per cent pre-tax in the past five years. Profits of the Northampton housing and property group, were up a further 35 per cent to £4.1m in the first half of this year despite a bad housing market.

Housing provides more than 80 per cent of the group's profits and the directors have an outstanding record of accumulating suitable land and assessing market conditions. Almost half the shares are finally held by family interests and one institutional investor and until a one-for-one scrip issue last April, they attracted little notice. But the fully taxed price-earnings ratio has jumped from 4.2 at the beginning of the year to about 10 while the rating on Berratt, the established sector leader, has risen from about 5.5 to 8.5.

Strong management and profit performance are also among the keys to the presence of many other shares at the top of the table. Profits of International Paint, a Courtauld's subsidiary have been growing at steadily increasing rates for the past three years and the group recently reported a 40 per cent rise in its interim result. BSR has staged a remarkable turnaround in the past two years after its record changer business collapsed under the pressure of severe competition from the Far East and the high value of sterling. Last year, the group lost £13.2m before tax, but following two cost-cutting initiatives in the electronics field, it has produced a profit of £2.8m in the first half of this year and

should make further improvement in the remainder of the year.

Among the worst performing shares are many oil-related companies, including London Merchant Securities and Westpool Investment Trust, both controlled by Lord Kaye. When it comes to oil shares, profits are not always important. London and Scottish Marine Oil (LASMO), for example, made a £55m profit in the first half of this year, up 175 per cent, and paid its first ever dividend of 4p, promising another 6p at year end. Mr Paul Bristol, chairman of KCA International, last year's best performing large share, has recently confirmed that profits would be up a quarter but that hasn't stopped the shares from falling by a like proportion.

For other losing shares, poor trading figures have been decisive. Tube Investments, which has been among the worst shares for two years in a row, is still having a very difficult time. After profits were halved last year to £24.7m, the diversified metals and appliance group fell deep into loss in the first half of the current year. Dividends too have been slashed. TT's 58 per cent subsidiary, British Aluminium, remains a major headache and, for a while in October, there was speculation that its heavy losses might threaten the whole group. British Aluminium's shares have plunged into the small company category—where they are the tenth worst performer.

Computer manufacturer ICL is another company making a second successive appearance in

the losers' table. A £32m rights issue was launched this week—along with news of a £183m attributable loss.

A year ago, all the electronic component companies were popular with investors. This year, the market has become more discriminating. Unitech, which reported a 19 per cent drop in profits at the interim stage, has seen its shares fall nearly a third while shares of Farnell, which posted an 18 per cent interim profit gain, are up a third.

In the small company category, different criteria for share performance often apply. In the case of this year's fastest growing share, G. M. Firth, the main factor seems to have been the purchase last July by Mr Ian Wasserman, a former Slater Walker director, of an 18.7 per cent stake.

Interest in Jantar, a small metal trading company, seems to be related to a surge in trading of rare and strategic metals lately and the scarcity of quoted companies in the field. Two small Far Eastern tin companies, Renong Tin Dredging and Pengkalen, have received a lot of attention since the manipulation of the international tin price began last July.

But among the small companies, too, there are some solid performers and groups

with interesting prospects. Heating and ventilation group Myson was the object of an unprecedented takeover by a syndicate of nine institutions last summer accompanied by an injection of new management. Davies and Metcalfe, makers of railway brake systems and couplings, has produced a surge of profits this year after suffering from the 1979 engineering strike and its aftermath.

Amos Hinton, the food stores group, has brought in new management, sold a loss-making discount operation and pushed up profits by 157 per cent in the first half to £1.1m. Paterson Jenks, a distributor of chicory and coffee essences which acquired the other half of a Canadian spice associate late last year, has seen profits soar and its shares moved decisively out of the penny category. Sterling Knitting is another small but hitherto neglected manufacturer that sells 95 per cent of its output to Marks and Spencer and produced an 88 per cent rise in profits last year to £0.75m.

Among the smaller companies whose shares fared badly are some familiar names. Brown and Jackson may be the only company in history to have been on the winners' list two years in a row and then on the losers' list two years in a row. Profits tumbled 65 per cent last year and all but disappeared in the first half of this year.

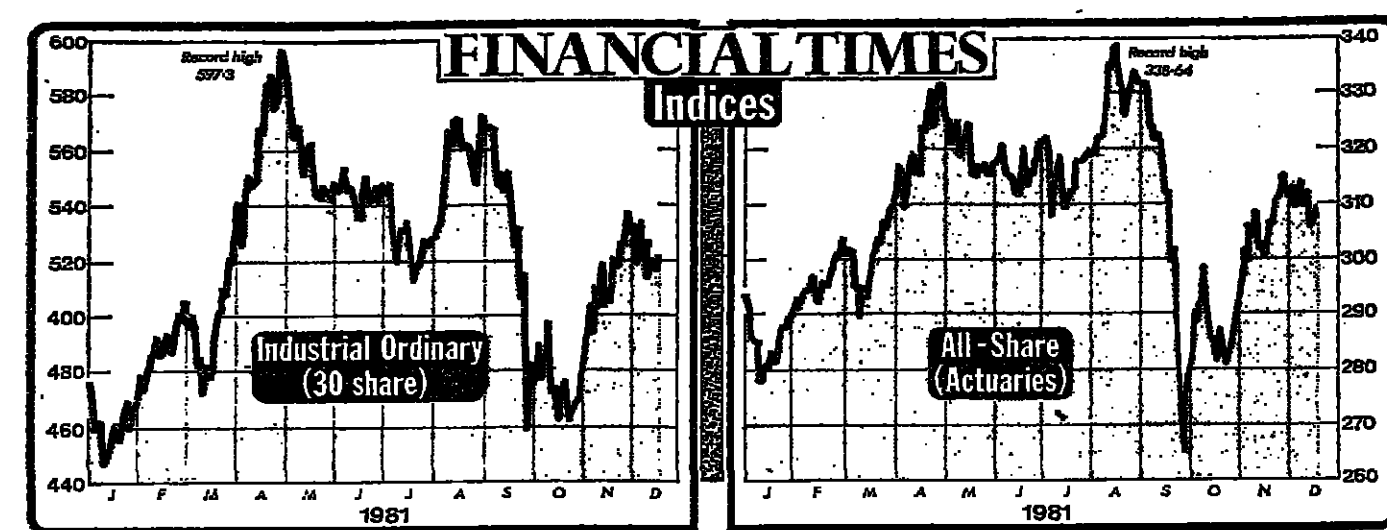
The new junior market has slightly outperformed its big brother, the Tring Hall Index is up 7.2 per cent on the year. Of the 21 shares that have been traded for the entire year, builders McLaughlin and Harvey showed the best gain, 38 per cent, followed by Trust Securities and brewers Fuller Smith and Turner. The worst shares on this market were Pict Petroleum, down 63 per cent, United Electronic Holdings, down 55 per cent and Scan Data, down 52 per cent.

But all this is history. Investors now want to know the best shares of 1982. Unfortunately, next year looks like being something of a replay of 1981, with forecasters looking for a modest economic recovery and a fall in interest rates during the second half. Cynics would say that as the deadline for the next election approaches, the likelihood of that recovery taking place is much greater than it was this year. So it is back to the business of picking the shares that might benefit first from it.

## LEADERS AND LAGGARDS 1981

# A year to sell in May...

By Ian Rodger



companies, has produced an annual compound growth rate of 341 per cent pre-tax in the past five years. Profits of the Northampton housing and property group, were up a further 35 per cent to £4.1m in the first half of this year despite a bad housing market.

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the losers' table. A £32m rights issue was launched this week—along with news of a £183m attributable loss.

A year ago, all the electronic component companies were popular with investors. This year, the market has become more discriminating. Unitech, which reported a 19 per cent drop in profits at the interim stage, has seen its shares fall nearly a third while shares of Farnell, which posted an 18 per cent interim profit gain, are up a third.

In the small company category, different criteria for share performance often apply. In the case of this year's fastest growing share, G. M. Firth, the main factor seems to have been the purchase last July by Mr Ian Wasserman, a former Slater Walker director, of an 18.7 per cent stake.

Interest in Jantar, a small metal trading company, seems to be related to a surge in trading of rare and strategic metals lately and the scarcity of quoted companies in the field. Two small Far Eastern tin companies, Renong Tin Dredging and Pengkalen, have received a lot of attention since the manipulation of the international tin price began last July.

But among the small companies, too, there are some solid performers and groups

with interesting prospects. Heating and ventilation group Myson was the object of an unprecedented takeover by a syndicate of nine institutions last summer accompanied by an injection of new management. Davies and Metcalfe, makers of railway brake systems and couplings, has produced a surge of profits this year after suffering from the 1979 engineering strike and its aftermath.

Amos Hinton, the food stores group, has brought in new management, sold a loss-making discount operation and pushed up profits by 157 per cent in the first half to £1.1m. Paterson Jenks, a distributor of chicory and coffee essences which acquired the other half of a Canadian spice associate late last year, has seen profits soar and its shares moved decisively out of the penny category. Sterling Knitting is another small but hitherto neglected manufacturer that sells 95 per cent of its output to Marks and Spencer and produced an 88 per cent rise in profits last year to £0.75m.

Among the smaller companies whose shares fared badly are some familiar names. Brown and Jackson may be the only company in history to have been on the winners' list two years in a row and then on the losers' list two years in a row. Profits tumbled 65 per cent last year and all but disappeared in the first half of this year.

The new junior market has slightly outperformed its big brother, the Tring Hall Index is up 7.2 per cent on the year. Of the 21 shares that have been traded for the entire year, builders McLaughlin and Harvey showed the best gain, 38 per cent, followed by Trust Securities and brewers Fuller Smith and Turner. The worst shares on this market were Pict Petroleum, down 63 per cent, United Electronic Holdings, down 55 per cent and Scan Data, down 52 per cent.

But all this is history. Investors now want to know the best shares of 1982. Unfortunately, next year looks like being something of a replay of 1981, with forecasters looking for a modest economic recovery and a fall in interest rates during the second half. Cynics would say that as the deadline for the next election approaches, the likelihood of that recovery taking place is much greater than it was this year. So it is back to the business of picking the shares that might benefit first from it.

### New issues

TOP 10			BOTTOM 10		
Company	Market	% gain	Company	Market	% decline
ICC Oil Services	USM	100	Bulb Resources	USM	51
Humberstone Elect.	USM	71	Eurofinance	USM	44
Fleet St. Letter	USM	65	Affiliated Resident	USM	43
Memec	SE	54	Nimble	USM	29
SEI	SE	50	Sealeco	USM	28
British Electric	SE	32	KCA Drilling	SE	26
Television South	USM	32	GT Global Rec.	SE	26
Exco	SE	30	United Ceramic	USM	25
Jackson Exploration	USM	28	Greenwich Cable	USM	22
Thorac	USM	28	Harvey & Thompson	USM	21

### Capitalised at over £30m at year end

WINNERS			LOSERS		
Company	% gain		Company	% decline	
Wilson (Connolly)	200		Premier Cons. Oilfields	-45	
International Paint	184		Westpool Inv. Trust	-44	
BSR	155		Inchcape	-41	
Haden	147		Lemo	-40	
French Kier	139		Tube Investments	-39	
Analysed Metal	122		ICI	-38	
Bercel	116		Burmah Oil	-31	
Vinten	112		London Merchant Sec.	-31	
Tunnel Holdings (B)	107		Unitech	-28	
Horizon Travel	98		Tricentrol	-26	

### Capitalised at under £30m at year end

WINNERS			LOSERS		
Company	% gain		Company	% decline	
G. M. Firth	474		Change Wares	-65	
Hoveringham	353		Standard Industrial	-65	
Wheat	327		Brown and Jackson	-65	
Davies & Metcalfe	238		Pict Petroleum	-63	
Charles Hill of Bristol	233		Spencer Clark Metal Inds.	-61	
Amos Hinton	224		Forward Technology	-60	
Paterson Jenks	221		Gloves	-59	
Jantar	219		Allied Plant	-58	
Renong Tin	212		Derriford	-57	
Stirling	210		British Aluminium	-56	

## Letters to the Editor

### Harmonising

From Mr H. George

Sir—I was pleased to note in your feature on Arthur Scargill (December 10) that one of his reasons for pressing the miners' wage claim is to place them on a par with their European counterparts.

Without much success I have for years been urging managers when framing salary claims to take into account the comparison, in real terms, with their European counterparts.

If Britain's EEC membership means anything at all, it should surely involve a more harmonising something more important than how to kill a chicken.

Michael George  
(Past President, Association of Managerial Electrical Executives),  
133 Abbey Road,  
Westbury-on-Trym, Bristol.

### Hunting

From Mr A Kidd

Sir,—As a life-long countryman and as a farmer it is probably my misfortune that except for fishing and the Common Market, I almost invariably disagree with Mr John Cherrington, whose articles I have read with pleasure, tinged with sadness, for many years. The thing that bothers me is that he always takes the pursuit of maximised profits as apparently the sole driving force behind his entire philosophy. Now since I feel sure that he is not in any danger of falling below the actual breadline, I am at a loss to understand his, as it appears to me, cynically nervous outlook on all aspects of farming.

he is after, he could do far better to quit this capital-intensive, low-turnover and very low-yield industry and put all his money into gilt-edged securities, gold, mining, shares, or similar investments, when he would be able to sit at home with no worries or petty irritations, and await his dividends.

The truth is, of course, that life is much more than profits. The friendship and esteem of one's fellows; the joy of walking; better still riding (is it possible that Mr Cherrington cannot ride?) over one's own land; the song of the birds and the wonder of wildlife are all at least as important and valuable, if not more so than the dreary pursuit of the last odd per cent of income.

I have no doubt that Mr Cherrington agrees in his heart with all this. Why then does he sit out on hunting (December 12) although an admitted field sportsman himself? Did some horseman insult him or at least hurt his feelings in the long far-off days? Has he got an inferiority complex about horses and hunting which has not cleared itself with advancing years?

The idea of asking hunts to pay for hunting over one's land is, of course, not new. But it has never caught on. Farmers mostly take a larger view of the hunt as a good thing than that. Of course it is true that we who hunt are enormously and completely indebted to the farmers over whose land we ride. Without this generosity of spirit we could not exist. I know too how very annoying it is when a rail gets broken, a gate is not shut, seeds trodden more than need have been, and so on. Inexorable and damnable aggravating. Masters of Hunts spend more time attending to these ever-present and deplorable matters than most laymen would believe. And in cases of material damage which can honestly be assessed in pounds and pence the masters may very rightly and properly put in a claim to the hunt and he will be paid.

My farming experience, however, tells me that at the end of the season, the loss of crop due to the rain exceeds a few bales of hay, half a bag or so of corn or the odd cow-dung of grass. It seems much more at the time but nature is a wonderful healer.

I beg Mr Cherrington to take a more relaxed view and if he would care to come and have a day with us I will be only too pleased to lend him my splendid heavyweight hunter and on that day I will ride the other one. A. W. Kidd, A. W. Kidd, Seem Close, Seem Close, Melksham, Wiltshire.

### Trains

From Mr P. Mortimer

Sir,—With the recent "on-off" performance of the advanced passenger train very much in mind it is interesting to note that in 1935 the newly introduced "Silver Jubilee" service operated between London and Newcastle (and return) daily was pulled by one locomotive (the only one of its new streamlined class then available) on both the north-bound and south-bound train for five days a week for a fortnight without relief or technical malfunction. This required that the prototype locomotive made two 332 mile non-stop runs each day at an average speed of 70 mph from start to stop until further new locomotives were introduced into the fleet.

This was achieved with a new locomotive design (but based on an existing proven type) and new rolling stock which from approval to introduction in service had taken under two years. One can only stand aghast at the miserable performance of the APT which has so far to turn a reliable wheel in revenue service and has taken nearly 17 years to get this far. It is all very well for British Rail's top brass to rejoice in the fact that the APT has to date "only" cost £37m compared to the much

higher expense incurred by the French railways (SNCF) in the new super line south of Paris. The obvious result is that at least the French trains are now operating at very high service speeds and like the Japanese can present the world with a tangible working product to support export sales.

Philip N. Mortimer,  
12 Seymour Road,  
Upper Shirley,  
Southampton.

### Stockholding

From the Managing Director, Farrar Machinery

Sir,—We have just been advised by one of our steel stockholders of proposed steel price increases. They also say, and quote, lead times from British Steel Corporation have considerably increased on alloy and leaded steels. Currently all leaded steel production is concentrated into one BSC plant. Any increase in demand might result in shortages, since increasing production requires significant development periods prior to implementation. So perhaps threatened shortages might ease through the price increases.

It might interest you to know that in this stockholder's catalogue, under section "bar stock", the "Imperial" range, there are up to 40 sizes in range 0.193 to 3.15 inches and seven different grades. Total number of size/grade combinations available is 210. The same situation exists in rounds, flats and squares.

Our factory has just been brought to a standstill by a supplier of turned components who thought that 1.5 in hexagon bar equalling 30.5 mm would be acceptable for our required 30 mm component. No it is

not! If BSC wants to rationalise and economise, could it not phase out Imperial bright steels as it has done black steels? BSC and British industry might save a lot of money.

R. J. M. Farrell,  
Balmoral Road,  
Atrincham, Cheshire.

### Reviews

From the Chairman, Economic Committee, Managerial, Professional and Staff Liaison Group

Sir,—The report and leading article (December 10) on state industry reviews are noted with interest. Certainly the idea of setting clearer overall strategic objectives is desirable, and equally so is the corollary that once these are set, Ministers should resist the temptation to interfere and issue fresh instructions.

This is a subject that has been discussed for some years now, these are the views that have been expressed regularly and the objectives reached have been almost identical. There is little doubt that there is a need for an improved strategic approach for these important industries, but it is difficult to see how the proposal to set up new ministerial committees and to give the Cabinet Office's Central Policy Review Staff a co-ordinating role can be reconciled with the need to reduce the "temptation to interfere."

It is also difficult to support your own proposals for the introduction of internal rivalry within the electricity supply industry as a means of improving efficiency and reducing bureaucracy, the effect of such a policy could be quite the contrary.

One cannot avoid the fact that these industries have longer lead times for strategies than investment policies than the normal term of office for Governments and certainly Ministers.

It is suggested, therefore, that the business influence can be brought about by giving the National Economic Development Council a more influential role to play. This could be strengthened if need be by businessmen and accountants, but the vital aspect



## FOREIGN AFFAIRS

## Jaruzelski: Poland's last faint hope

By Ian Davidson

IN THE last couple of weeks, we have had some good news and some bad news. The good news is the crackdown in Poland; the bad news is the start of the U.S.-Soviet talks in Geneva on the reduction of intermediate-range nuclear forces in Europe.

General Jaruzelski's intervention, however deplorable in many ways, nevertheless offers the last, faint hope for the reform movement in Poland; and whatever emerges from the Geneva talks is almost certain to impose serious strains on the Atlantic Alliance.

President Reagan does not share this view of the Polish situation. Like President Mitterrand, he has been indignantly clucking and squawking and gobbling like a pre-Christmas turkey at the outrages being perpetrated in Poland. He has been able to earn kudos by standing up for human rights, and at the same time he has been able to get credit from America's New Right, by fulminating against a Communist Government which has come out in its true colours of authoritarianism and repression.

For good measure, he has blamed it all on the Russians. After 16 months of cliff-hanging confusion, the situation is once more, clear-cut: there are the good guys and the bad guys. At last he can punish the bad guys with tribulation: there will be no more American aid until martial law is ended.

President Reagan's prescription is to call for the re-establishment of "conditions that would make constructive negotiations and compromise possible". In the same vein, Lord Carrington has urged "an early resumption of the process of negotiations and conciliation, including the release of those in detention". Now these are admirable sentiments for the

pulpit, but as recipes for practical action they do not really seem adequate for a situation as complicated as that of Poland.

We know very little of what has been going on behind the scenes in Warsaw, and even less of the real intentions of General Jaruzelski and his Military Council of National Salvation. The one thing we do know, however, is that negotiations have been going on between Solidarity and the political authorities for 16 months without reaching any stage that could be called conciliation, while at the same time the economy has been going steadily downhill.

The pretext for the crackdown has been that Solidarity was overplaying its hand, with numbers of its leading members adopting increasingly anti-Communist and even anti-Russian positions. But it is plausible to suppose that the escalation of some of Solidarity's demands has been provoked both by the obstructionist tactics of the party bureaucracy and its inability or unwillingness to reform itself, and by its inability to bring about any perceptible improvement in the running of the economy.

If the struggle between the irresistible force of Solidarity and the immovable mass of the party machine fails to produce conciliation and stability, then it stands to reason that conciliation and stability must, sooner or later, be imposed from above. It may not be nice, and in the process a lot of people get hurt, but it is a wishful thinking to suppose that Poland could indefinitely stage an unresolved conflict between the trade unions and the party.

There were only two candidates for the role of ultimate arbiter: the Polish army, and the armies of the rest of the



Protesters in Chicago: events might prove them wrong

Warsaw Pact. According to a West German agency report, General Jaruzelski stepped in to pre-empt an appeal to Moscow by hard-liners in the Polish party. He may also have been provoked by the looming war-and-peace deadline for the rescheduling of Poland's outstanding debts to Western banks.

But whatever the mixture of reasons, and however much one may lament the loss of freedom and loss of life, at least one can say that Poland's affairs are still more or less in the hands of Poles. President Reagan may imply that it is naive to imagine that the Russians are not behind

the crackdown, but there is all the difference in the world between the Polish and a Soviet crackdown. That must be obvious, even in Washington. The most crucial question is this: does Jaruzelski know what to do next—assuming, of course, that he is successful in the first military phase of imposing law and order? He has said a great deal, both in his initial announcement on Sunday, and again in the long communiqué issued on Wednesday, about what he will not do: he is not installing a permanent military regime; he is not banning Solidarity; only suspending it; he is not taking the country

back to where it was before August last year; he is not stopping the process of "renewal." But he has said virtually nothing about what comes next. Indeed, what is most striking about the two Polish statements, as well as about the ritual denunciations from Western leaders, is that they scarcely mention the economic dimension of the Polish disaster. This is understandable: politicians, especially communist politicians, always believe in the primacy of the political dimension. But Marxist doctrine tells a different story, and it must be obvious that an early alleviation of some of the worst short-

comings of the economy is part of the key to a political solution.

The first problem is food. Quite apart from the decline in their output, the Polish farmers are holding back meat from the slaughter-houses because there is nothing for them to buy with the money. If Jaruzelski wants to gain credibility with Solidarity's rank-and-file by shortening the food queues, he has only three options.

He can try to commandeer livestock from the peasants, and run the risk if not of civil war at least of alienating the private farmers for a long time to come. He can seek food aid from the Soviet Union, which has little enough for itself. Or he can seek increased food aid from the West. In these circumstances, it is almost past belief that President Reagan should have suspended food aid, unless he positively wants to maximise the chances of civil war in Poland. The one thing General Jaruzelski cannot do is bribe the farmers with money, because he cannot offer them the tractors, breeze blocks and cement that they want.

The West has two interests in Poland. The first is that, on moral and political grounds, as much as possible should be preserved of the reform movement which started 16 months ago. The second is that Poland should avoid international bankruptcy, with all its alarming repercussions for the Western financial system, and indeed its even more alarming repercussions for East-West relations and the stability of Europe. These two interests are very closely connected.

If the workers could be persuaded to return to work—a very big if—and to renounce the five-day week which they

extracted a year ago, especially in the all-important coal mines, Poland has some chance of improving its foreign exchange earnings and of staving off a massive international default. After all the arrests, injuries and loss of life, they may be very difficult to persuade. But a substantial improvement in the food situation might make a difference.

It is easy for Western governments to indulge in the histrionics of righteous indignation. But the reality is that they have no sensible option but to believe General Jaruzelski's assurances of his good intentions. If he cannot impose reforms on the party apparatus, forge a new and more lasting concordat between Solidarity and the state, and achieve the beginnings of consensus, then the game is up. In any case, we won't have long to wait, because the General has very little time to play with.

This analysis is evidently not shared by President Reagan, nor by the big American banks, who are taking a much harder line on Polish debt rescheduling than some of their European counterparts. Perhaps there is still a chance that the governments of Western Europe will have a clearer appreciation that the name of the game is *realpolitik*, not Manichean sentimentality.

Beside these momentous events, it may seem perverse, or at least decidedly premature, to classify the Geneva talks as part of the bad news. But it is not premature to gird ourselves up for the recognition that the Atlantic Alliance may be more severely shaken if the talks succeed than if they fail.

In the event of failure, either the European governments will deploy the new missiles, in which case the anti-nuclear movements will rampage; or else they won't, in which case

there will probably be a tremendous Euro-American row.

In the event of success, there will certainly be a tremendous Euro-American row, because the removal of a whole category of weaponry from the middle of the ladder of escalation will reveal the delusions of the theory of flexible response, and cause the most profound re-examination of Nato nuclear doctrine for 20 years. It may even call in question the whole assumption underlying the deployment of any American nuclear weapons in Europe. In turn, the Europeans may have to consider whether they are prepared to defend themselves substantially better in conventional terms.

We won't have to wait very long for this row to break out in another form. Reagan's budget squeeze will in the next few months revive the old recriminations against Europe's perceived refusal to make its proper contribution to the Alliance: already this week the Wall Street Journal ran a centre-page feature calling for the withdrawal of U.S. troops from Europe. These recriminations are also being fuelled by resentment at European trade policies, in steel and farm products.

These Atlantic strains can already be seen looming ahead. It would be helpful if they were not made worse by the adoption of perverse policies towards Poland, under the illusion that a further deterioration in that country would help to unify the Alliance. Western banks took a long time to discard the delusion that the Polish debt was guaranteed by the Soviet "umbrella." Western governments have still time to discard their cant, and see slightly straighter.



that they are being deprived of the funds to do the work in the way that the latest crisis has shown they must.

Caversham receives a Treasury grant of £4.5m but is stuck with the restriction of government cash limits. Its problems are likely to grow. Caversham is trying to come to grips with satellite broadcasting and video-based information services.

George Novakovic, head of the Reception Department, with Antek Novak, Chief Polish Monitor

## Weekend Brief

## The BBC's listening post

The swans have gone from the nearby lake. No one quite remembers when, but it was after many a summer, and the West's ear on Poland has other things on its mind.

The BBC monitoring service

## North Pole grottoes in Anatolia?

All those children's letters addressed to Santa Claus at the North Pole may have gone astray. According to recent research, they probably should have been re-directed to Santa Claus in Turkey. And where else, but "Turkey," as a comedian in a Christmas show might well ask?

It seems that St Nicholas, the original Santa, is buried in a remote village in Antiochia, his grave identified only by a simple plaque, hanging on a nail at 45 degrees, and the villagers, mostly farmers, living around what author Shirley Harrison describes as "a Wild West ghost town." do not yet realise they are sitting on a tourist fortune. Mrs Harrison has recently

written a book in which she roves countries and centuries trying to identify Santa Claus, or Klaus or Kris Kringle or the Roman Lord of Saturnalia or the Tudor Lord of Misrule—it gets very complicated. But it all ends up with St Nicholas, whose grave is at Denure surrounded by hundreds of square miles of desert and non-Christians.

How long will Santa Claus rest in peace for 333 days of the year? Already Western tourists visit the nearby Temple of Ephesus, and the Virgin Mary's house, and with the Turkish State tourist authority now developing the area, there could be a Father Christmas boom. "In a way," Mrs Harrison says, "I hope I have not started something awful with my book—things like North Pole grottoes in Anatolia."

St Nicholas was Bishop of Myra in the fourth century AD and became the patron saint of "children, sailors, thieves and pawnbrokers." In 1969, Pope



Paul removed him from the Catholic calendar of saints, but Clement C. Moore's famous poem still lives on:

*'Twas the night before Christmas and all through the house,  
Not a creature was stirring, not even a mouse.  
The stockings were hung by the chimney with care,  
In hopes that St Nicholas soon would be there.*

I remember my father leaving mince pies and whisky out for him. They'd gone in the morning, which, of course, proved that there was a Santa Claus. May be, we should start putting out little plates of homus and glasses of ouzo.

It looks as if the Turks will eventually get into the act. There is already a Father Baba, a Muslim version of Santa, who distributes gifts at a children's feast day in early January. Men who wish to preserve Santa as a good English Tory gentleman, like God, will be pleased to know that anyone can hire a Father Christmas costume for £20 a week from a good London theatrical costumier. And wives will say, as Mother Christmas did at the Dewsbury Empire pantomime not long ago: "Take your mac. It looks like rain dear." Can the Turks follow that?

Who is Father Christmas by Shirley Harrison; David and Charles, £3.50.

## The 'Great Mail Robbery'

IT was something like the Great Mail Robbery at Sotheby's on Thursday. In vivid romance and fading privacy, with echoes of the film *Night Mail* and a dozen signed envelopes from W. H. Auden himself, rare and valuable letters and documents came under the hammer.

Bundled into boxes, stuffed into shabby files, they could have been any old letters and papers; the detritus of desks

and bottom drawers the despair of executors and not-so-aid relations.

Everybody, in nearly 300 lots, seemed to be there. Letters for the rich, letters for the poor, they poured from princes, potentates, and Pope Clement VII ("to you the serene and inviolable King, Defender of the Faith," about Henry VIII's "Great Matter"). Dickens posted his publisher to settle the Oliver Twist account; Conan Doyle discussed the criminal system ("very faulty"); Ford Madox Ford wrote privately poignant descriptions of life in the trenches ("I talk Flemish. So I have to lay away and pacify infuriated farmers"). Among the ancients, Bess of

Hardwick's marital disputes raged through seven lots; and Philip of Spain, "Yo El Rey," wrote anxiously, in code, about Drake. Personal accounts kept between 1810 and 1813 listed the exorbitantly frivolous expenditures—gowns, gold buttons, gloves, ruffs, pins by the thousand—of Margaret Spencer, teenage daughter of the first Baron Spencer. The poor little rich girl died at 16.

That incorrigible correspondent, Bernard Shaw, sent private views no less trenchant on theatre ("... in the case of the great majority of plays, a theme the curtain should not rise at all") than in response to invitations ("What! another dinner! Incorrigible

man. NO."). Oxfam sold a Samuel Beckett poem—unfinished, enigmatic, precise—in black ink on squared exercise book paper. "Ballade of a Lady's Leggings" commemorated the ghastly hijack of those items left behind after Lucy Masterman's visit to the G. K. Chestertons.

Two of four Nelson letters were to Lady Hamilton; but a Robert Burns outburst, to "Clarinda" was the only outright epistle of love.

Bids buzzed. The best value, as always, came from authors: it was Doctor Johnson who noted that we shall receive no letters in the grave.

in Chinese rather appeals to me.

And does he now think, after three arduous years, that the Board has cleansed the casino industry for good? "With all the money and artificiality," he says, "it's almost beyond human nature that it should ever be free of hanky panky."

Still, much has been done. And Lord Allen clearly enjoys his contacts with, if not the great and the good, at least the rich and powerful of the land. But he dislikes the word *enjoy*. "Say rather that I find it interesting but a little depressing."

## Contributors

David Tonge  
Alan Forrest  
Gay Firth  
Duncan  
Campbell-Smith

## Playboy, lbw, howled Lord Allen

"We bowled him out, poor chap," said Lord Allen of Abbeydale, reflecting wryly on the innings of Mr Derek Daniels, Playboy's U.S. chief, as one of London's gaming supremos.

Lord Allen is chairman of the Gaming Board. Mr Daniels reluctantly opted in October to sell Playboy's highly profitable London casinos rather than continue with a legal struggle against the Board. A sale contract was signed with Trident Television on Thursday.

Five days later, Mr Daniels fired Mr Victor Lowmes, the head of Playboy's UK operations. Lowmes perhaps, the Gaming Board was not told of the move beforehand. It asked Mr Daniels, on his next visit to London, to come in for—well, a chat would not be quite the right word, says Lord Allen. "We asked him what he thought he was doing."

The talk lasted a couple of hours. "He was rather subdued," remembers Lord Allen. It seems to have made little difference in the end. Playboy joined the company of Corals and Ladbrokes back in the pervious.

"If someone had told me when I started three years ago that Corals, Ladbrokes and Playboy would all be out of the business by 1981," says Lord Allen, "I would have expressed some surprise."

On the other hand, he says, "Nothing strikes me as bizarre in this industry." He was closely involved in it as Home Office Permanent Under-Secretary during the drafting of the 1968 Gaming Act. He retired from the Civil Service in 1972—but welcomed a place of the Gaming Board from 1975 with a strong personal interest in the working of the Act.

But Lord Allen is no self-appointed guardian of society's morals. He sees the Board's work very much as a fight against organised crime which swept London's gaming world in the 1960s—"all hell broke loose. It really was pretty awful."

He is a large, avuncular figure with a moustache and a slight air of detachment. It amuses him to think that gaming industry rules might one day have to accommodate Chinese games. "A statutory instrument

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## PERFORMANCE GUIDE TO HIGH-YIELD SHARES

Joint  
Investors Chronicle/Datastream  
SEARCH  
publication  
Number 4

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## THE FINANCIAL TIMES BUSINESS PUBLISHING LIMITED

Registered Office: Stratton House, 10 Cannon Street, London EC4A 3DF. Registered Number: 980995.

To: The Marketing Department, Freeport (A), Greystoke Place, Fetter Lane, London EC4B 4QL.

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## Companies and Markets

## UK COMPANY NEWS

Downturn at  
Hardys &  
Hansons

LOWER PRE-TAX profits are reported by Hardys & Hansons, the Nottingham brewer, for the 52 weeks to October 10 1981. The figures were £2.51m, compared with £2.65m for the previous 52 weeks. Turnover advanced from £13.08m to £14.58m.

The final dividend is raised from 5p to 8.2p for an increased total of 11.5p (11.1p). Stated earnings per 25p share were lower at 23.58p (24.57p).

A property revaluation at September 30 1981 has resulted in a surplus of £9.57m which has been transferred to reserves.

The pre-tax figure includes interest and investment income of £322,000 (£442,000). Tax took £1.33m (£1.11m), leaving £1.19m (£1.24m). There was an extraordinary credit of £118,000 (£40,000).

On a CCA basis, profit after tax was £1m.

Davenports  
Brewery  
over £1.6m

IMPROVED pre-tax profits are reported by Davenports Brewery (Holdings) for the 52 weeks to October 3 1981. Figures of the Birmingham brewer rose from £355,000 to £1.64m and group turnover rose from £24.48m to £26.42m.

The final dividend is raised from 2.5p to 3.25p for a total of 4.25p (4.0p).

After tax considerably higher at £701,000 (£398,000), the balance available for ordinary shareholders was £334,000 (£250,000).

Chemring ahead  
at £0.77m and  
payment raised

Portsmouth-based Chemring, which produces radar reflective devices, cable attachments and protective clothing, improved pre-tax profits from £68,611 to £72,672 in the year to September 30 1981. External sales moved up from £3.3m to £3.93m.

The final dividend is being raised from 2.2p to 2.55p net per share for a total of 4.8p (4p).

Mr Ian Fairfield, the chairman, says world demand for the group's products is increasing and is confident "in spite of the gloom and starts in defence expenditure."

Trading profits were £468,400 (£373,200), with the taxable figure struck after interest of £286,200 (£258,500) and an associate's share at £38,100 (£26,100). Midway, when the surplus at that level was £380,200 against £375,700, only a marginal improvement had been forecast for the year.

Tax took £397,000 (£318,100), leaving an attributable £375,700 (£367,700), where stated earnings per share were 17.8p (17.6p). The retained balance was £271,600 (£281,700).

S. W. Wood  
midterm deficit  
omits interim

For the six months ended September 30 1981 S. W. Wood Group, metal merchant, processor and supplier of steel, reported a loss of £310,000 and is omitting the interim dividend. Sales dropped from £10.67m to £8.53m.

Last year the company achieved a pre-tax profit of £45,000 in the first half, but a loss of £281,555 followed in the second six months.

The directors say that results for the 1981 half-year reflect the continuing effect of the recession. Despite reports from some sectors of industry, the volume of trade available to the group remained low during the period due to closures of major customer outlets and sources of supply.

The directors have considered it prudent to suspend contingent liabilities, and associated legal costs, in respect of disputes with customers. Accordingly, £170,000 was charged and included in the pre-tax figure.

Loss per share is shown as 5.3p (0.7p earnings) after tax, nil this time (£0.00).

Brit. Northrop  
back to profit  
in first half

British Northrop, textile machinery manufacturer, returned to a £34,000 pre-tax profit for the half year ended June 30 1981, compared with taxable losses of £104,000.

For the whole of 1980 the company suffered a pre-tax deficit of £453,118 (£1,021m).

Turnover for the half year improved from £778,000 to £845,000 but the directors expect it to be lower in the second half, mainly as a result of financing problems delaying order placing by overseas customers.

They add that there was an improvement in the level of orders in the six months particularly for the spares business.

Interest charged was £188,000, against £299,000, and earnings per share are shown as 1.96p (5.98p loss).

UNILEVER

The proposals to alter Unilever's dividend equalisation agreement have been approved by shareholders at meetings in London and Rotterdam.

United Scientific  
exceeds forecast  
and plans scrip

THE PROFITS forecast by United Scientific Holdings at the time of its recent rights issue has been comfortably met, taking the optical and electronic equipment group to £6.64m at the pre-tax level for the year to September 30, 1981 against £5.27m last time and the predicted £6m.

A final dividend of 3.5p net per 25p share lifts the total to 6p from an effective 5p, and a further one-for-one scrip issue is proposed.

The results exclude a £143,000 contribution from Alvis, acquired during the year. Sales improved from £3.56m to £4.15m, with Alvis turning over an extra £5.66m. Exports as a proportion of turnover in the UK rose from 64 per cent to 67 per cent.

Another successful year is in prospect, the board says, with at least £70m orders in hand for Alvis alone and more than £40m for the rest of the group.

Tax took £1.54m (£2.27m) after crediting £500,000 this time as stock relief provision is no longer required. Earnings per share are given as 19.9p (14.5p) before the stock relief release and 22.6p (14.5p) after.

Minority interests absorbed £185,000 (£90,000) while goodwill arising on purchases has been written off at £1.43m in respect of Nitec and Alvis this year, compared with £733,000 for Nitec in 1980. After dividend payments the retained balance is £2.18m (£1.23m).

Weak truck market  
again hits E.R.F.

A FURTHER reduction in the UK truck market and the erosion of margins, has resulted in E.R.F. (Holdings) continuing to incur losses. In the 28 weeks to October 17 the pre-tax loss was £2.2m, but this was lower than the £2.51m for the corresponding period last year.

Turnover of this manufacturer of heavy commercial vehicles and fire appliances was substantially lower at £22.83m against £23.45m. Again no interim dividend is being paid—last year a nominal 0.1p was paid as a final.

Mr E. P. Foden, the chairman, says the erosion of margins was due to strong competition and the weak market from both UK and European manufacturers. Although the company is now beginning to see an improvement in the UK truck market and has been particularly successful in obtaining a £1.8m order for the delivery in the first quarter of 1982, the trading results for the second half will continue to be depressed.

Mr Foden says the board now feels that the worst effects of the recession are over and with the help of the company's restructuring, anticipate an improvement in trading results during 1982-83. Although the South African and plastics companies had very satisfactory results, the company has reluctantly decided to close down the fire engineering subsidiary.

Peter Brotherhood dips  
into red but sees hope

THE EFFECTS of an exceptionally low order intake for short lead-time work last year have made their mark on Peter Brotherhood in the six months to September 30 1981. The Peterborough manufacturer of machinery and power plant dipped from pre-tax profits of £121,000 last time and £297,000 for 1980 as a whole to losses of £393,000 for the half year.

The sharp drop in deliveries was similarly reflected in turnover, down from £9.09m to £8.44m.

However, over the last five months orders, production and margins have all shown a marked improvement and the board is confident of a second-half profit provided this continues. It believes its strategy—of maintaining sufficient strength to expand in any upturn in activity in spite of the detriment to short-term profitability—has proven correct.

In recognition of this the interim dividend is held at 1p net per 50p share; last year's total having been 3p.

The trading loss of £187,000 allows for the crediting of £105,000 interest receivable this time and compares with £294,000 profits. The pre-tax figure was also struck after interest charges of £122,000 (£173,000) and an £84,000 debit for exceptional and non-recurring items.

No tax was levied, against £62,000 and the deficit attributable to ordinary shareholders £396,000 (£366,000).

Stated losses per share are 8.7p (1.78p earnings). On a CCA basis the pre-tax shortfall rises to £727,000 against £466,000 losses.

DIVIDENDS ANNOUNCED				
Company	Current payment	Date of payment	Corresponding dividend	Total dividend for last year
Asot Tooling	1.5	Jan 25	1.5	4.06
Batleys of York	0.5	Feb 25	0.5	2.2
Bell and Sims	1.75	Feb 5	1.75	4.25
Peter Brotherhood	1.0	Mar 5	1.0	3.0
Brunner Inv	1.7	Mar 20	1.7	3.75
Charter Trust	2.35	Mar 12	2.35	4.5
Chemring	2.55	Apr 6	2.55	4.5
Continuums, Smy	0.45	Apr 6	0.45	2.15
Cooper Inds	3.13	Feb 11	2.8	4.29
Davenports Brewery	3.5	Feb 11	3.5	11.1
Hardys & Hansons	8.2	Feb 5	8.2	11.1
Imry Property	1.2	Apr 6	1.2	3.0
United Scientific	3.5	Apr 6	3.5	6.0
S. W. Wood	nil	nil	0.5	1.0

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Brentnall  
Beard  
improves

THE RECOVERY trend reported at the interim stage by Brentnall Beard (Holdings) was maintained in the second six months ended September 30, 1981 and this insurance broking concern finished with a full year pre-tax profit of £240,000, against a loss of £725,000 previously.

At half-time, the group reported a taxable profit of £280,000 (£335,000 loss).

The profit improvement has continued in the current year and it is hoped that a dividend will be paid this year, provided that satisfactory arrangements can be made for the conversion of all or part of the share premium account (which appeared in last year's balance sheet at £332,222) to a free or distributable reserve.

The directors say they are unable to recommend a dividend for the period under review, because the profits are required for use towards eliminating the deficiency on reserves brought forward. The last payment was in 1978.

The taxable profit included an exceptional credit of £41,000 (£401,000 debit) and last year's results were after a £170,000 share of associates' losses. The exceptional credit refers to bad debt recoveries for which a provision had been made.

There was a tax charge of £60,000 (£16,000 credit) and an extraordinary debit of £81,000 (£174,000 credit) representing the tax on UK military spending. For the record the dividend yield on this high flyer is 1.5 per cent.

The company's finances are very strong which augurs well for the future, the directors state.

Deficit reduced  
at Sutcliffe  
Speakman

Improved margins which have followed measures taken by Sutcliffe Speakman and Co to reduce operating costs over the last two years have not yet been sufficient to pull the engineering group out of the red.

Losses have been curtailed at the pre-tax level, however, at £158,000 for the half year to September 30, 1981 against £236,000 last time, mainly as a result of lower interest charges of £118,000 (£168,000).

Turnover slipped from £3.76m to £2.89m but the board says a recently increased level of inquiries suggests the recession has not yet reached its peak. Operations are continually under review.

Tax and minorities left the deficit unchanged this time but reduced to £110,000 in the comparable period.

H. Ingram  
£0.25m loss  
at halfway

Following a second-half loss of £216,568 last year, Harold Ingram, knitted garments manufacturer, fell £245,468 into the red for the half year ended October 31 1981, compared with a virtual break-even £1,354 profit last time. Sales were unchanged at £2.89m.

Mr H. Ingram, chairman, says that despite the present difficulties, the company's financial state and its liquid position is still strong and it has not had to resort to borrowing.

Trading overseas was particularly hard hit, mainly because of high sterling exchange rates, and although the loss by London Parcels, of £63,353 (£80,000) is greater than expected, this company is growing quite slowly.

Mr Ingram anticipates that for the year the loss will be considerably less than that for 1980-81.

Batleys of  
Yorkshire  
little changed

Although turnover rose from £49.21m to £56.58m, pre-tax profits of £1.1m were little changed at £511,425 for the half year to October 31 1981, compared with £511,352.

After tax of £85,532 (£88,803) the attributable credit of £76,657 last time, the attributable surplus was down from £519,706 to £425,893. Basic earnings per share were 4.95p (5.14p) and the interim dividend is kept at 0.5p net—the 1980-81 total was 2.2p on £12.8m taxable profits.

First half  
increase by  
Imry Property

Taxable profits of Imry Property Holdings rose from a restated £665,000 to £737,000 for the half year to September 30 1981. After tax of £367,000 against £241,000, the attributable surplus moved from £324,000 to £370,000.

The comparative pre-tax figure has been restated because in accordance with SSAP 19, amortisation is no longer required on leasehold properties with an unexpired term greater than 20 years.

Outgoings re properties being developed of £11,000 (£1,000) have not been charged against profits, but the taxable result included £82,000 (£72,000) from associates.

The interim dividend is being raised from an adjusted 1p to 1.2p net per 25p share—the 1980-1981 payments totalled an equivalent 3p.

BIDS AND DEALS  
Private group in dawn raid on Moss Eng.

A PRIVATE engineering group yesterday launched a "dawn raid" on the shares of Moss Engineering, the Midlands environmental engineering group, and quickly acquired a 12.3 per cent holding.

Biwater Group, which is based in Dorking, instructed stockbrokers Moore Govett to go into the stock market to acquire up to 800,000 shares in Moss (14.6 per cent) at 98p. By 10.15 am yesterday morning a holding of 795,999 shares had been purchased before the share price moved head to 100p—a gain of 21p.

At this level the price values Moss at £6.14m. Biwater said it has "no present intention of bidding for the whole company."

In March 1979 the group successfully fought off a £4.1m takeover bid from GEI International.

The bulk of the Moss shares were sold by about 6 investment trusts and managed trusts. The group's largest shareholders—Britannic Assurance with 9.44 per cent and M. and C. Group with 9.4 per cent—retained their holdings.

Biwater—headed by chairman Mr Adrian White—plans to have a meeting with Moss "with a view to exploring the areas of mutual interest that they believe exist between the two groups."

Biwater, which employs some 500 people in the UK, is principally engaged in the design and installation of water and sewage treatment plant, mechanical and civil engineering plant hire and the manufacture of valves.

Mr Gordon Smith, a director of Moss, said yesterday that the group knew Biwater but was not aware of its interest in buying Moss shares and had not previously been approached. Moss considers that the shares are worth "considerably more" than the dawn raid price.

He said that the group "would not welcome a takeover bid unless it was to our mutual interest." Mr Smith said he was not aware of the precise intention of Biwater and the group would have to wait to see. It was trying to arrange a meeting with Biwater early next week.

He said there was some overlap of activities but the depth of the similarity would not be known until further contact had been established.

Barratt Devs.  
chairman sells  
0.85m shares

Mr Laurie Barratt, the chairman of Barratt Developments, the UK's largest private house builder, sold nearly half of his shareholding in the company on Tuesday. It was revealed yesterday that Mr Barratt sold a total of 860,000 shares in the open market.

Based on Tuesday's closing price of 205p the shares disposed of were valued at £1.76m.

Barratt's stake, which the last report and accounts were published for the financial year ending June 30 1981 stood at around 2.5 per cent of the group's equity.

Yesterday Mr Barratt was not available for comment but Mr John Swanson, the group's sales and marketing director said that his chairman had made the move for "purely personal reasons."

Mr Swanson would not elaborate on the disclosure of the identity of the purchasers. However, he did say that the sale of the shares did not signify that Mr Barratt was losing his commitment to the company.

"Mr Barratt will not be taking any less interest," Mr Swanson said. Barratt Developments' pre-tax profits for the year to June 30 1981 advanced from £24.76m to a record £30.51m on turnover of £294.69m.

The private housing sector continues to be the company's mainstay activity and it has built and sold a record number of houses, in spite of the recession, thanks to low pricing and an aggressive advertising campaign.

On the London Stock Exchange yesterday, Barratt Developments' shares closed 4p up at 210p.

## NCC/NL-CAL

SHARE DEAL

NL-CAL Developments, a Canadian registered mining company, is planning to increase its holding in UNC Resources, with the acquisition of 323,800 shares of common stock from NCC Energy, Mr Ferguson Lacey's company.

NL-CAL will acquire the shares in exchange for the issue of 443,000 shares of Treasury stock. This acquisition together with 150,000 UNC shares already held, will make NL-CAL one of the largest shareholders in the company.

NCC has also agreed to subscribe for an additional 486,000 unissued shares of the company at US\$3.50 per share. This will provide the \$1.7m working capital necessary to keep the company's Casquet Mountain chromite, cobalt, nickel project progressing on schedule.

To provide for additional funds which may be required, NL-CAL would grant a one-year option to NCC to purchase additional shares. NCC presently has a 7.53 per cent stake in NL-CAL.

## WEIR GROUP

Barclays nominees (M and G Group) hold 1,400,000 (5.6 per cent) ordinary shares in the Weir Group. As a result of recent conversions, the issued share capital of the company will be as follows once new ordinary shares have been issued: ordinary shares 86,297,978; 10 per cent cumulative participating consolidated preference shares £8,210,491; 10 per cent reduced cumulative preference shares (not listed) £10m; total £22,468,470.

## Results due next week

Two television companies are reporting next week, but in each case the market's attention will stray from the results to more colourful matters.

Trident's final figures on Tuesday will, however, be the last it presents as an independent television contractor: pre-tax profits are expected to slip from last year's £8.8m by a few per cent, possibly as far as £5.2m. The accompanying Class One circular giving details of Trident's casual deal with Playgroup will be of much more interest, as will news of its progress in placing its shares in the two TV operating companies, Yorkshire and Tyne Tees.

Associated Communications Corporation screens its interim figures on Wednesday. These are expected to fall short of the £3m seen last year. They provide little indication of the eventual result for the year, though Unigate's report this week of doubled milk profits may suggest a pleasant surprise from Express Dairies. Since the acquisition of Intercontinental Hotels in August debt has stood at around £80m, and the share value has been depressed by expectations of a cash call. The sale of Unigate and Myers tobacco is an alternative canvassed by some analysts.

Interim pre-tax profits of £16-£19m are expected from Scottish and Newcastle on Tuesday. In its tied trade in Scot-

## Telecom stake for Rank in U.S.

THE RANK Organisation has concluded an agreement for the purchase of a 21 per cent equity stake in Telecom Equipment Corporation of New York, in a deal worth \$3.14m.

Rank also has an option to increase its shareholding to 25 per cent during the next three years.

Under the deal Rank—which has interests in leisure, industrial and commercial products, as well as a major investment with Xerox Corporation of the U.S. in the Rank Xerox companies—has purchased new shares equivalent to 18.5 per cent of the enlarged equity with the balance up to 21 per cent to be purchased following clearance by the relevant authorities.

Two representatives of Rank will join the board of Telecom.

Telecom markets, designs, installs and services private telephone systems for business institutions in the U.S. In the 1980 financial year it had sales of \$30.2m and pre-tax profits of \$2.7m, while for the first nine months of 1981 these were \$29.6m and \$3.66m respectively. In 1977, the group's taxable profits were \$340,000.

Electric Company holds shares in Telecom, which since 1979 has expanded from its primary New York market into a

City Offices accepts  
Greycoat's new terms

BY MICHAEL CASSELL

CITY Offices has accepted a slightly improved offer from Greycoat Estates. The property investment group last month rejected Greycoat's first approach.

Following further talks between the two companies, City Offices yesterday announced revised terms for its reverse takeover and the directors of City Offices described them as "fair and reasonable."

The offer comprises: four Greycoat ordinary shares plus 30p cash for every five City Offices shares or, alternatively, three Greycoat shares and 187p cash for every five in City Offices. On the basis of a Greycoat share price of 175p, the bid is now equivalent to 145p per share against 144p under the original offer.

The preference share offer remains at 50p cash for each first preference share and 58p cash for each second preference share.

The new terms value City Offices at just over £39m, against the £36.5m price tag put on it by Greycoat's initial bid. Greycoat itself is capitalised at around £19m.

City Offices has an investment portfolio of nearly £30m, against Greycoat's investment and development portfolio which has been valued at about £18.5m.

City Offices' directors say they are recommending the offer to shareholders and that their own near 2 per cent holding will accept. Major shareholders in City Offices are Legal & General (29 per cent) and Commercial Union (9.2 per cent).

Greycoat is to change its name to Greycoat City Offices, which forecast dividends not less than 1p for the year to March 31, 1982. City Offices' shareholders will receive and retain a second 2p interim dividend, payable in April, subject to the offer being unconditional.

Greycoat held 800,000 City Offices shares (2.3 per cent) before the original announcement of its bid and has received acceptances for another 22,074 shares and 525 second preference shares since the offer document was posted.

Attempts to avert clash  
on Guinness Peat board

MR PHILIP D'ANGELO, head of the Guinness Peat fast growing U.S. affiliate, NAP USA, is emerging as one of the key figures in the dispute between Mr Edmund Dell, Guinness Peat's chairman, and Lord Kissin, the former chairman, who is considering bidding for "significant stake" in the group.

Mr D'Angelo, who joined the Guinness Peat group in June and initiated the group's involvement in Teletext (a computerised financial information service) saw Mr Dell and Lord Kissin strengthen this week and is understood to have emphasised his concern about the continuing tension being spent resolving the group's internal politics.

His concern appears to have strengthened the resolve of Guinness Peat's executive board to try to reach some form of compromise with Lord Kissin and his advisers, Hambros Bank.

Both sides are expected to have terms for the group if a major confrontation between Lord Kissin and Mr Dell is allowed to take place. The Bank of

One of the areas where the two companies have a trading link is in the manufacture of Biwater of turnkey water treatment plant for fresh water and sewage. These are largely overseas contracts and some of the parts are supplied by Farrer Wallwin, which is a subsidiary of Moss.

Biwater recently won an £81m export order to Nigeria and Mr White is presently in that country to sign another large contract.

Biwater showed profits before tax of £1.7m in 1980 on a turnover of £34m. In 1980/81 Moss recorded a profit of £801,000 on a turnover of £16.74m. Moss accounts for that year were qualified by the auditors on counts relating to stock control and stock valuing.

Kuwait stake in  
Powell Duffryn  
rises to 7.1%

The Kuwait Investment Office has increased its holding in Powell Duffryn, the engineering-to-steel distributor, to 7.1 per cent (7.09 per cent). This makes KIO the largest shareholder in the group.

Powell's share price, yesterday rose 2p to 230p valuing the stake at £5.08m.

Powell Duffryn welcomed the announcement that the group does not expect its policies to change as a result.

Powell Duffryn has wide-ranging interests including shipping, fuel distribution, construction, and engineering. Pre-tax profits fell 32 per cent to £4.63m on sales up 5 per cent in the half-year to September 30 1981. However, the company is expecting to recoup much if not all of the shortfall in the second half.

It understands that the share purchases are part of the Kuwaiti currency overseas investment programme, aiming for "a good spread of industrial companies in the UK."

RTZ HAS 15.4%  
OF T. W. WARD

The Rio Tinto Zinc Corporation, Britain's biggest mining group which is attempting to take over Thomas W. Ward, has taken over another 230,000 shares in Ward at 80p per share. RTZ has now increased its stake to 15.4 per cent.

RTZ is expected to announce on Monday the acceptance which it has received for its offer of the final closing date of which was reached yesterday.

The merger between the two companies will not be referred to the Monopolies and Mergers Commission.

## C. HELL PURCHASE

Contracts have been exchanged for Charles Hell of Bristol, which has interests in civil engineering, shipping and property, to acquire Octavius Hunt from its private shareholders.

Hunt manufactures smoke machines, fire extinguishers and markers and has recently acquired a distributor of telecommunications equipment. The accounts show profits before tax for the six months to September 30, 1981, of £103,646 and net assets at that date of £245,883.

The initial consideration is £650,000 in cash. On the attainment of warranted pre-tax profits of £200,000 and £225,000 for the years ending March 31, 1982 and 1983 respectively, further amounts become payable in cash totalling £112,500.

land and the depressed North-East of England there has been a volume drop of around 7.5 per cent. The real problem lies in S and N's heavy exposure to the take-home trade, where, particularly from the super-market chains, is intensely competitive. The result has been very low margins, and it is believed that Kestrel is making losses. Redundancies of about 2,500 over the last two years and the recent loss of capacity at the Holyrood brewery are part of general cost cutting, but the balance sheet has continued to deteriorate in the wake of the 1980 £20m hotels acquisition. Although the historic yield is over 13 per cent, a dividend cut is not generally expected.

Announcement				
Company	Announcement due	Dividend (p)	Last year	This year
Pattow Holdings	Tuesday	0.8	0.8	0.8
RFD Group	Tuesday	0.8	0.8	0.8
Rotaprint	Wednesday	1.25	0.625	0.625
Russell Brothers (Paddington)	Thursday	1.25	0.625	0.625
Scottish and Newcastle Breweries	Monday	2.51	2.51	2.51
Siebs Gorman Holdings	Monday	0.45	0.45	0.45
Sterling Industries	Monday	0.45	0.45	0.45

\* Dividends shown net pence per share and adjusted for any intervening scrip issue.



## SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and deals

The retail scene was highlighted earlier this week by news of the proposed merger between Habitat and Mothercare. The new group will be under the leadership of Mr. Terence Couran, chairman of Habitat. Mr. Selim Zilkha, who set up Mothercare in 1961, is to retire to a non-executive role.

The agreed merger will be made through Habitat, which is offering Mothercare shareholders a new convertible loan stock and up to 64.4m shares on a one-for-one basis. Underwriting has been completed to secure a 125p-a-share cash alternative for half the new Habitat shares on offer.

The other major bid event took place in the Property sector where Town and City made a surprise offer to acquire the entire ordinary and preference stock of Berkeley Hambro. Terms of the agreed bid are 50 Town and City shares plus twelve 7 per cent preference shares for every 10 Berkeley Hambro shares held. The preference shares are convertible into ordinary shares every October until 1990.

On Thursday, a "down raid" to buy 2m shares in Henlys, the long-making motor distributor, failed. Stockbrokers Sternberg and Thomas Clark announced that they were going into the market to buy up 2m shares at 125p each on behalf of an investment client—Mr. Jim Gregory, the chairman of Queens Park Rangers Football Club. In the event, the stake acquired was below the 5 per cent disclosure level with the shares of Henlys, after Wednesday's speculative rise of 14p, closing a further 28 higher at 125p, after 125p. Yesterday's close was 114p.

Rio Tinto-Zinc's contested bid for T. W. Ward was given the green light by the Monopolies Commission on Friday. Tunnel Hinges, which will receive a bid from RTZ if the offer for T. W. Ward succeeds, states that its board and advisers have no hesitation in declaring their preference for the option of ownership by RTZ.

Liberty Life Association of Africa, the third largest life company in South Africa, acquired a 29.58 per cent stake in Capital and Counties, the UK property concern, from Union Corporation.

Trident Television finally signed a £16.6m contract to purchase the UK casino and betting shop interests of Playboy Enterprises. Trident will own London's Playboy, Clermont and Victoria casinos all which face legal proceedings and possible closure.

Company bid for: Value of bid per share\*\* Market price\*\* Bidder

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid per share**	Bidder
Essex Prop.	155	133	112	24.55	Linda Shop Prop.
Berec	154	148	94	87.49	Hanson Trust
Berec	147	148	116	98.13	Tilling (T.)
Berkeley Hambro	342	332	274	58.12	Town & City Prop.
Blantyre Teaff	301	90	69	1.05	Eastern Produce
Brown Bros.	30	28	25	4.26	Dana Corp.

Prices in pence unless otherwise indicated.

## BASE LENDING RATES

■ A.B.N. Bank	144%	Grindlays Bank	144%
■ Allied Irish Bank	144%	■ Guinness Mahon	144%
■ American Express Bk.	144%	■ Hambros Bank	144%
■ Amro Bank	144%	■ Heritable & Gen. Trust	144%
■ Henry Ansbacher	144%	■ Hill Samuel	144%
■ Chabont & Mathem	144%	■ C. Hoare & Co.	144%
■ Associates Cap. Corp.	15%	■ Hongkong & Shanghai	144%
■ Banco de Bilbao	144%	■ Knowledge & Co. Ltd.	15%
■ BCCI	144%	■ Lloyds Bank	144%
■ Bank Hapoalim BM	144%	■ Malindi Limited	144%
■ Bank of Cyprus	144%	■ Edward Manson & Co.	154%
■ Bramer Holdings Ltd.	154%	■ ■	







## Partners in Rundle sign venture agreement

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

During 1980/S1 SAS pursued a cost-cutting programme, reducing group employees by more than 800 and airline staff by more than 890 and airline staff by more than 890. In November

It launched its Euroclass, a improved service for business men paying normal economy fares, which has provoked row with other airlines, in particular Air France.

While the board expects a swift improvement in the general outlook for civil aviation, it sees the reduction of the airline's losses and the recovery in the subsidiaries as "justifying some optimism."

SAS is a consortium owned three-sevenths by a Swedish parent company and two

## United Airlines

# L in the red

## W YORK

the U.S. airline industry.

These problems have lately started to spill over to the aircraft manufacturers, United is expected to be one of the biggest spenders of the 1980s and is a keen advocate of the need for a \$150-a-year

The airline's continuing losses suggest, however, that

● Standard and Poor's has lowered the ratings on Western Air Line's 10 per cent subordinated sinking fund note due 1994 and 5 1/2 per cent convertible debentures due 1993 to CCC from B and on Series

minus.

## AMERICAN WAR

## AMERICAN MAR

continued to firm on Middle-East tax  
sion, reported Hainold.

Copper—Dec 42.05 (74.05), Jan 72.15 (74.50), Feb 73.25, March 74.05 (74.74), May 76.10, July 77.20-77.50, Sept 79.90 Dec 81.10-81.40, Jan 82.25, March 83.55, May 85.70, July 87.45, Sept 89.20.

Potatoes (round whites)—Feb 68 (70.0), March 73.4 (75.3), April 80.0-80.9. Sales: 1,256.

Silver—Dec 873.0 (886.5), Jan 872.0 (890.3), Feb 881.0, March 888.0-892.0, May 910.0-912.0, July 928.0-932.0, Sept 950.0, Dec 980.0, Jan 980.3, March 1010.0, May 1030.0, July 1050.0, Sept 1070.0. Handy and Harman bullion spot: 892.00 (.880 gm).

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 (13.13), March 13.48-13.50 (13.44), May  
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 14.70, May 15.00.  
 Tin—692.00-705.00 (693.00-712.00).  
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Live Hogs—Dec 41.85 (40.35), Feb

**Thursday's closing prices**

**11CENSUS—**Dec 2052 (2003), March 2022 (2013), May 2030, July 2050, Sept 2072, Dec 2103, March 2130. Sales 80.

**Coffee—**Contract: Dec 147.05, 147.25 (148.98), March 138.40, 138.45 (139.10), May 131.75, 131.75 (132.50), Sept 128.50, Sept 127.75, Feb 128.50, March 128.50, May 120.00, 120.25 (120.50).  
**Cotton—**1-2, March 62.22-63.23 (63.43), May 64.58 (64.58), July 65.80, 65.80, Oct 67.85-67.90, Dec 65.80, 65.80, March 70.10-70.50, May 71.10-71.50. Sales: 5,200.

**Heating oil** (dollars per U.S. gallon)—Jan 0.9935, Feb 0.9914, March 0.9776.

**INDICES**

**FINANCIAL TIMES**

Dec. 21/Dec. 16	Month	Year ago
948.16	946.99	948.27

(Base: July 1, 1952=100).

**MOODY'S**

Dec. 17/Dec. 16	Month	Year ago
981.8	974.9	984.7

(December 31, 1931=100)

**Caley and Harper. Closing prices:** Feb 95.50, -1.50 (high 99.00, low 84.00), April 115.00, unchanged (high 120.20, low 115.50), Nov 67.00, unchanged (unrated); Turnover: \$25 (759) lots of 40 tonnes.

**COTTON**

**LIVERPOOL**—Spot and shipment prices amounted to 37 tonnes. Minor contracts were sold up with modest support in certain African styles. Some interest in Middle Eastern qualities.

**GRIMSBY FISH**—Supply and demand good. Prices at ship's side (unprocessed) per tonne: Shell cod £2.25, (medium) £2.25, (large) £2.25. Small haddock £1.20-£2.40. Best small plaice £4.00. Lemon soles (large) £3.00, (medium) £3.00.

**SUGAR**

Tate and Lyle delivery prices for

## AMERICAN MAR

**NEW YORK, December 18.** Coffee and cocoa came under pressure on the lack of buying interest. The grain complex closed lower on local liquidation while soybeans were mixed on local short-covering. The livestock complex was mixed with hogs and poultry bellies coming under pressure from long liquidation on expectations of weaker cash next week. Heating oil continued to firm on Middle-East tension, reported Heinold.

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**SUGAR**

Tate and Lyle delivery prices for

## MARKETS

40.20-40.05 (40.67), April 38.70-38.55  
 June 41.80-41.90, July 43.05, Aug 42.25  
 Oct 41.25, Dec 43.45, Feb 44.87.  
 †Malze—Dec 349% (252%), March  
 266%-268% (269%), May 276%, July  
 281%-281%, Sept 284, Dec 287%-288.  
 Port Ballies—Feb 55.25-54.95 (55.82)  
 March 55.25-55.15 (55.90), May 6.00  
 July 57.50-57.45, Aug 56.80.  
 †Soybeans — Jan 617-619' (621)  
 March 630-631' (631%), May 643-645  
 July 657-658, Sept 655, Nov 662.

15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 8

WINN-DIEGO, DECEMBER 18, 1961

Barley—Dec 130.50 (170.50), Mar 130.50 (170.50), Apr 129.00 (170.50), May 129.00 (170.50), Jun 131.40 (170.50), Oct 134.50 (170.50).

\*Platinum—Dec 399.5 (400.7), Jan 400.0-401.5 (401.7), April 410.5-412.0 (412.0), July 424.8, Oct 440.0, Jan 459.1. Sales 1,365.

Wheat—SCWRs 13.5 per cent protein content cif St. Lawrence 235.15 (235.29).

All cents per pound ex-warehouse unless otherwise stated. \* \$ per Troy ounce. † Cents per Troy ounce. ‡ Cents per 56lb bushel. § Cents per 100lb.

55 \$ per 1,000 sq ft. ‡ Cents per dozen. †† \$ per metric ton.

April 0.8575, May 0.9480, June 0.9470  
 July 0.9470, Aug 0.9550, Sept 0.9690  
 Oct 0.9800, Turnover: 4,133.  
 Oranges: July-Jan 129.70 (124.70)  
 March, 131.80 (126.50), Nov 132.75, Dec  
 134.00, Sept 134.00, Nov 134.85, Sales  
 1,500.  
**CHICAGO, Dec 17.**  
 Chicago Iron and Steel — Dec 47.75  
 (47.75), March 48.55-48.60 (48.27), June  
 48.85, Sept 49.11, Dec 48.90, March  
 48.43, Aug 49.83, Sept 51.50.  
**NEW ORLEANS—Milled Rice Futures**  
 (contract 100 bushels of U.S. No. long  
 grain): Jan 17.80, March 17.05, May  
 17.00, Sept 17.25.

## DOW JONES

Dow Jones	Dec 17	Dec 16	Month ago	Year ago
Spot—898.40	895.96	895.00	554.04	432.39
Put 1/8 869.40	868.48	870.00	476.43	434.43

(Average 1924-25 close=100)

## REUTERS

Dec 18, Dec 17	17 Month ago	Year ago
1613.4 1615.3	1609.3	1781.4

(Base: September 1913=100)

(assumed) basis white sugar was  
 2375.00 grams a tonne for far home  
 trade and 2282.50 (same) for export.

No. of Yeast	dry cubes	Previous close	Business done
2 per tonne			
Jan—	177.75-78.00	174.00-78.00	77.75-78.00
March	177.75-78.00	174.00-78.00	77.75-78.00
May	177.75-78.00	174.00-78.00	77.75-78.00
July	177.75-78.00	174.00-78.00	77.75-78.00
Sept	177.75-78.00	174.00-78.00	77.75-78.00
Nov	177.75-78.00	174.00-78.00	77.75-78.00
Dec	177.75-78.00	174.00-78.00	77.75-78.00
Jan	177.75-78.00	174.00-78.00	77.75-78.00
March	177.75-78.00	174.00-78.00	77.75-78.00
May	177.75-78.00	174.00-78.00	77.75-78.00
July	177.75-78.00	174.00-78.00	77.75-78.00
Sept	177.75-78.00	174.00-78.00	77.75-78.00
Nov	177.75-78.00	174.00-78.00	77.75-78.00
Dec	177.75-78.00	174.00-78.00	77.75-78.00
Jan	177.75-78.00	174.00-78.00	77.75-78.00
March	177.75-78.00	174.00-78.00	77.75-78.00
May	177.75-78.00	174.00-78.00	77.75-78.00
July	177.75-78.00	174.00-78.00	77.75-78.00
Sept	177.75-78.00	174.00-78.00	77.75-78.00
Nov	177.75-78.00	174.00-78.00	77.75-78.00
Dec	177.75-78.00	174.00-78.00	77.75-78.00
Jan	177.75-78.00	174.00-78.00	77.75-78.00
March	177.75-78.00	174.00-78.00	77.75-78.00
May	177.75-78.00	174.00-78.00	77.75-78.00
July	177.75-78.00	174.00-78.00	77.75-78.00
Sept	177.75-78.00	174.00-78.00	77.75-78.00
Nov	177.75-78.00	174.00-78.00	77.75-78.00
Dec	177.75-78.00	174.00-78.00	77.75-78.00
Jan	177.75-78.00	174.00-78.00	77.75-78.00
March	177.75-78.00	174.00-78.00	77.75-78.00
May	177.75-78.00	174.00-78.00	77.75-78.00
July	177.75-78.00	174.00-78.00	77.75-78.00
Sept	177.75-78.00	174.00-78.00	77.75-78.00
Nov	177.75-78.00	174.00-78.00	77.75-78.00
Dec	177.75-78.00	174.00-78.00	77.75-78.00
Jan	177.75-78.00	174.00-78.00	77.75-78.00
March	177.75-78.00	174.00-78.00	77.75-78.00
May	177.75-78.00	174.00-78.00	77.75-78.00
July	177.75-78.00	174.00-78.00	77.75-78.00
Sept	177.75-78.00	174.00-78.00	77.75-78.00
Nov	177.75-78.00	174.00-78.00	77.75-78.00
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March	177.75-78.00	174.00-78.00	77.75-78.00
May	177.75-78.00	174.00-78.00	77.75-78.00
July	177.75-78.00	174.00-78.00	77.75-78.00
Sept	177.75-78.00	174.00-78.00	77.75-78.00















## FT UNIT TRUST INFORMATION SERVICE

[illegible]







## Australian

[illegible]

## NOTES

[illegible]

## REGIONAL MARKETS

[illegible]

## OPTIONS

[illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible]



